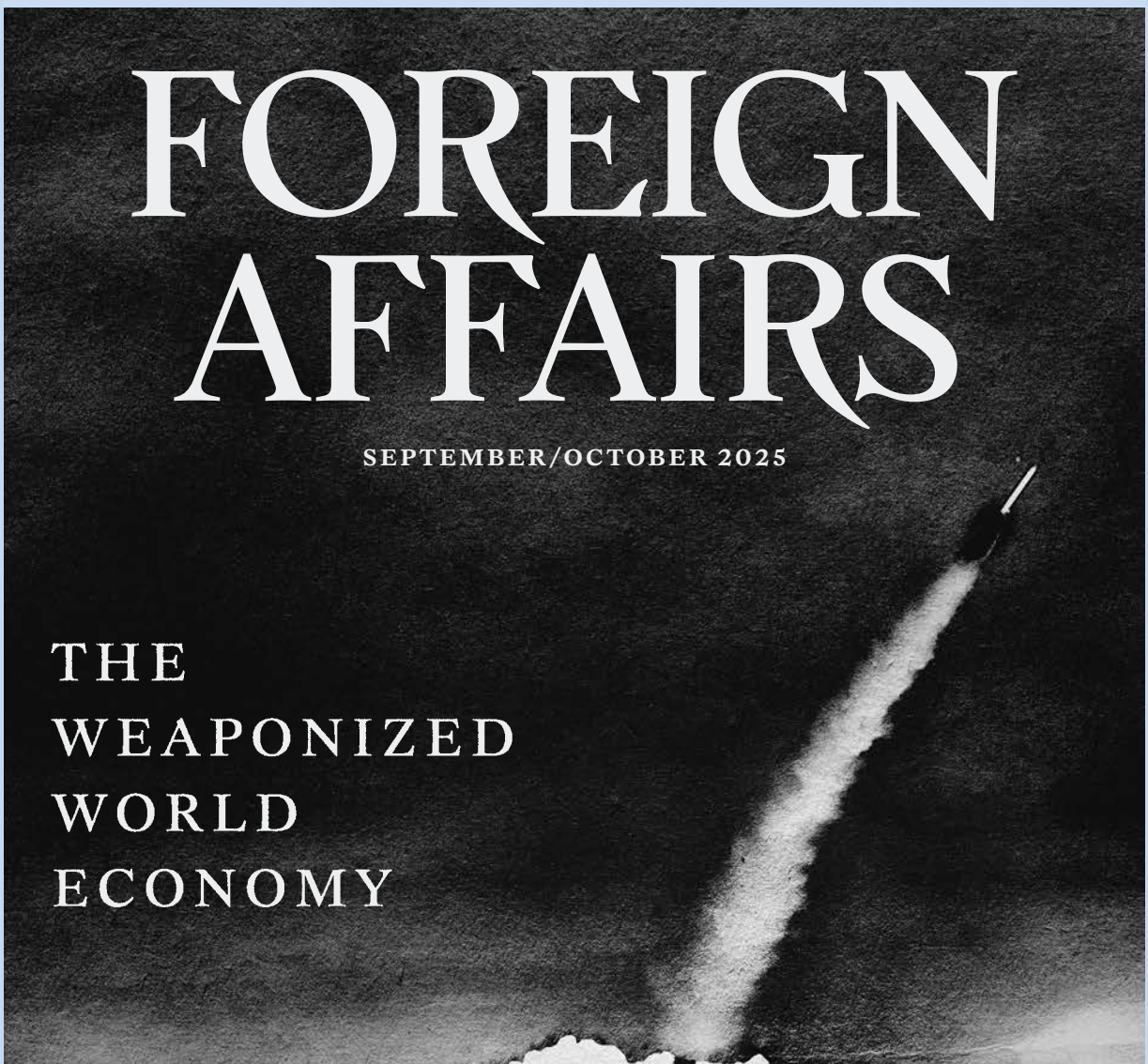


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SEPTEMBER/OCTOBER 2025

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Archibald Cary Coolidge, Founding Editor
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The Weaponized World Economy

Surviving the New Age of Economic Coercion

HENRY FARRELL AND ABRAHAM NEWMAN

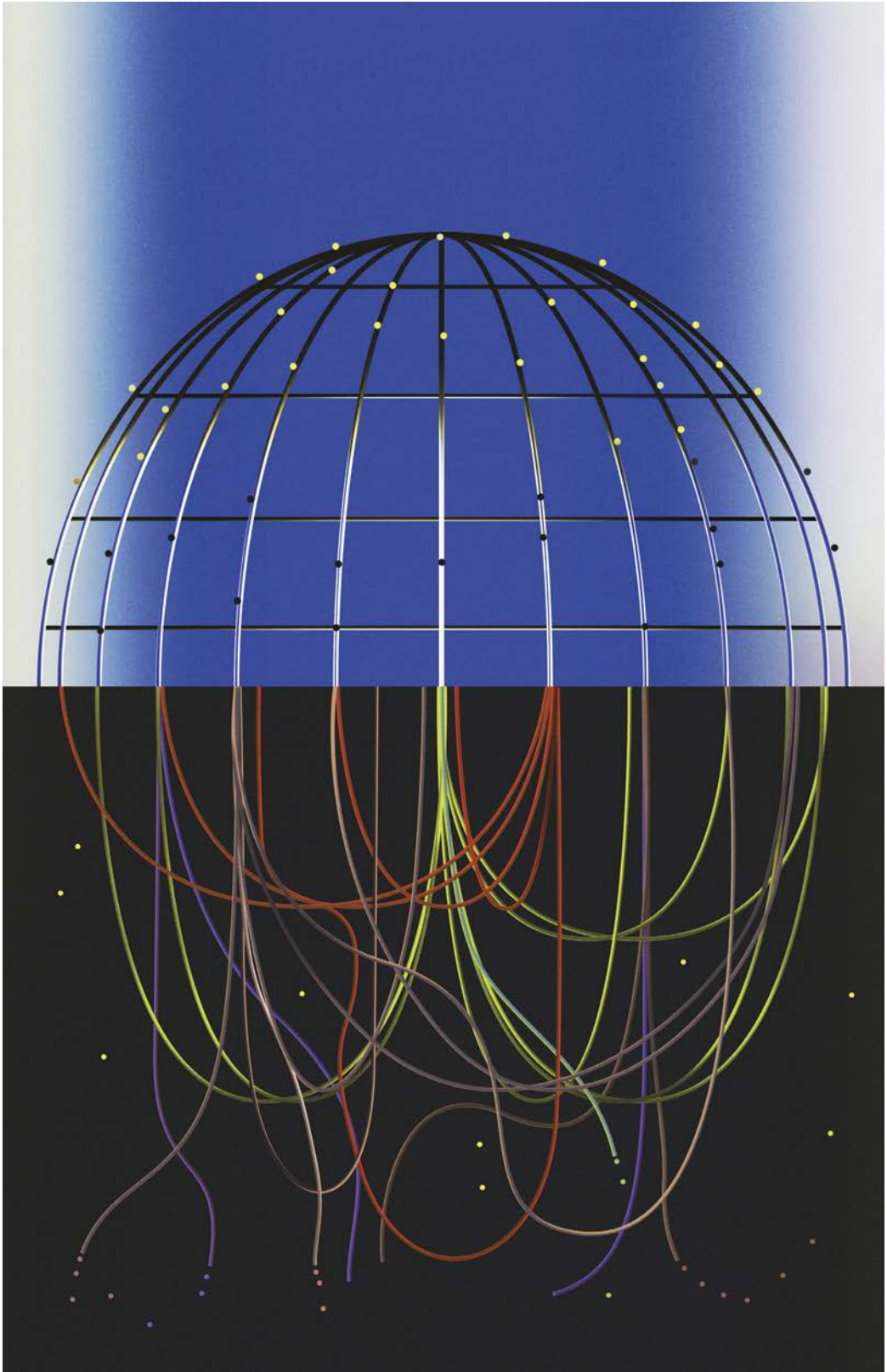
When Washington announced a “framework deal” with China in June, it marked a silent shifting of gears in the global political economy. This was not the beginning of U.S. President Donald Trump’s imagined epoch of “liberation” under unilateral American greatness or a return to the Biden administration’s dream of managed great-power rivalry. Instead, it was the true opening of the age of weaponized interdependence, in which the United States is discovering what it is like to have others do unto it as it has eagerly done unto others.

This new era will be shaped by weapons of economic and technological coercion—sanctions, supply chain attacks, and export measures—

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that repurpose the many points of control in the infrastructure that underpins the interdependent global economy. For over two decades, the United States has unilaterally weaponized these chokepoints in finance, information flows, and technology for strategic advantage. But market exchange has become hopelessly entangled with national security, and the United States must now defend its interests in a world in which other powers can leverage chokepoints of their own.

That is why the Trump administration had to make a deal with China. Administration officials now acknowledge that they made concessions on semiconductor export controls in return for China's easing restrictions on rare-earth minerals that were crippling the United States' auto industry. U.S. companies that provide chip design software, such as Synopsys and Cadence, can once again sell their technology in China. This concession will help the Chinese semiconductor industry wriggle out of the bind it found itself in when the Biden administration started limiting China's ability to build advanced semiconductors. And the U.S. firm Nvidia can again sell H20 chips for training artificial intelligence to Chinese customers.

In a little-noticed speech in June, Secretary of State Marco Rubio hinted at the administration's reasoning. China had "cornered the market" for rare earths, putting the United States and the world in a "crunch," he said. The administration had come to realize "that our industrial capability is deeply dependent on a number of potential adversary nation-states, including China, who can hold it over our head," shifting the "nature of geopolitics," in "one of the great challenges of the new century."

Although Rubio emphasized self-reliance as a solution, the administration's rush to make a deal demonstrates the limits of going it alone. The United States is ratcheting back its own threats to persuade adversaries not to cripple vital parts of the U.S. economy. Other powers, too, are struggling to figure out how to advance their interests in a world in which economic power and national security are merging, and economic and technological integration have turned from a promise to a threat.

Washington had to remake its national security state after other countries developed the atomic bomb; in a similar way, it will have to rebuild its economic security state for a world in which adversaries and allies can also weaponize interdependence. In short, economic weapons are proliferating just as nuclear weapons did, creating new

dilemmas for the United States and other powers. China has adapted to this new world with remarkable speed; other powers, such as European countries, have struggled. All will have to update their strategic thinking about how their own doctrines and capabilities intersect with the doctrines and capabilities of other powers, and how businesses, which have their own interests and capabilities, will respond.

The problem for the United States is that the Trump administration is gutting the very resources that it needs to advance U.S. interests and protect against countermoves. In the nuclear age, the United States made historic investments in the institutions, infrastructure, and weapons systems that would propel it to long-term advantage. Now, the Trump administration seems to be actively undermining those sources of strength. As the administration goes blow for blow with the Chinese, it is ripping apart the systems of expertise necessary to navigate the complex tradeoffs that it faces. Every administration is forced to build the plane as it flies, but this is the first one to pull random parts from the engine at 30,000 feet.

As China rapidly adapts to the new realities of weaponized interdependence, it is building its own alternative “stack” of mutually reinforcing high-tech industries centered on the energy economy. Europe is floundering at the moment, but over time, it may also create its own alternative suite of technologies. The United States, uniquely, is flinging its institutional and technological advantages away. A failure by Washington to meet the changes in the international system will not only harm U.S. national interests but also threaten the long-term health of U.S. firms and the livelihoods of American citizens.

THE WORLD GLOBALIZATION MADE

Weaponized interdependence is an unanticipated byproduct of the grand era of globalization that is drawing to a close. After the Cold War ended, businesses built an interdependent global economy on top of U.S.-centered infrastructure. The United States’ technological platforms—the Internet, e-commerce, and, later, social media—wove the world’s communications systems together. Global financial systems also combined thanks to dollar clearing, in which businesses directly or indirectly use U.S. dollars for international deals; correspondent banks that implement such transactions; and the SWIFT financial messaging network. U.S.-centered semiconductor manufacturing was spun out into a myriad of specialized processes across Europe and Asia,

but key intellectual property, such as semiconductor software design, remained in the hands of a few U.S. companies. Each of these systems could be understood as its own “stack,” interconnected complexes of related technologies and services that came to reinforce one another, so that, for example, buying into the open Internet increasingly meant buying into U.S. platforms and e-commerce systems, too. At a time when geopolitics seemed the stuff of antiquated Cold War thrillers, few worried about becoming dependent on economic infrastructure provided by other countries.

**Economic
weapons are
proliferating
just as nuclear
weapons did.**

That was a mistake for Washington’s adversaries and, eventually, for its allies, too. After the 9/11 attacks in 2001, the United States began using these systems to pursue terrorists and their backers. Over two decades of cumulative experimentation, U.S. authorities expanded their ambitions and reach. The United States graduated from exploiting financial chokepoints against terrorists to deploying sanctions to target banks and, in time, to cutting entire countries, such as Iran, out of the global financial system. The Internet was transformed into a global surveillance apparatus, allowing the United States to demand that platforms and search companies, which were regulated by U.S. authorities, hand over crucial strategic information on their worldwide users.

The infrastructure of economic interdependence was turned against both the United States’ enemies and its friends. When the first Trump administration pulled out of the Joint Comprehensive Plan of Action, which the United States and other major countries, including in Europe, had negotiated with Iran in 2015 to limit its nuclear program, the United States threatened to sanction Europeans who continued to do business with the Islamic Republic. European governments found themselves largely unable to protect their own companies against U.S. power.

This was the context in which we first wrote about weaponized interdependence in 2019. By that point, many of the most important economic networks underpinning globalization—communications, finance, production—had become so highly centralized that a small number of key firms and economic actors effectively controlled them. Governments that could assert authority over these firms,

most notably the U.S. government, could tap them for information about their adversaries or exclude rivals from access to these vital points in the global economy. Over two decades, the United States had built institutions to assert and direct this authority in response to a series of particular crises.

Some of Trump's senior officials happened on our academic research and, to our amazement, liked what they saw. According to the historian Chris Miller's 2022 book, *Chip War*, when the administration wanted to squeeze the Chinese telecommunications manufacturer Huawei harder, one senior official seized on the idea of weaponized interdependence as a playbook to strengthen export controls against semiconductors, describing the concept as a "beautiful thing."

Our primary purpose, however, was to expose the ugly underbelly of such weaponization. The world that globalization made was not the flat landscape of peaceful market competition that its advocates had promised. Instead, it was riddled with hierarchy, power relations, and strategic vulnerabilities.

Moreover, it was fundamentally unstable. American actions would invite reactions by targets and counteractions by the United States. The biggest powers could play offense, looking for vulnerabilities that they, too, could exploit. Smaller powers might seek to use less accountable or transparent channels of exchange, effectively building dark spaces into the global economy. The more the United States turned interconnections against its adversaries, the more likely it was that these adversaries—and even allies—would disconnect, hide, or retaliate. As others weaponized interdependence, the connecting fabric of the global economy would be rewoven according to a new logic, creating a world based more on offense and defense than on common commercial interest.

U.S. President Joe Biden also used weaponization as an everyday tool of statecraft. His administration took Trump's semiconductor export controls to a new level, deploying them first against Russia, in order to weaken Moscow's weapons program, and then against China, denying Beijing access to the high-end semiconductors it needed to efficiently train artificial intelligence systems. According to *The Washington Post*, a document drafted by Biden administration officials intended to limit the use of sanctions to urgent national security problems inexorably shrank from 40 pages to eight pages of toothless recommendations. One former official complained of a "relentless,

never-ending, you-must-sanction-everybody-and-their-sister . . . system” that was “out of control.”

Similar worries plagued export controls. Policy experts warned that technology restrictions encouraged China to escape the grasp of the United States and develop its own ecosystem of advanced technologies. That did not stop the Biden administration, which in its final weeks announced an extraordinarily ambitious scheme to divide the entire world into three parts: the United States and a few of its closest friends as a chosen elite, the large majority of countries in the middle, and a small number of bitter adversaries at the bottom of the heap. Through export controls, the United States and its close partners would retain access to both the semiconductors used to train powerful AI and the most recent “weights”—the mathematical engines that drive frontier models—while denying them to U.S. adversaries and forcing most countries to sign up to general restrictions. If this worked, it would ensure a long-term American advantage in AI.

Although the Trump administration abandoned this grand technocratic master plan, it certainly has not abandoned the goal of U.S. dominance and control of chokepoints. The problem for the United States is that others are not sitting idly by. Instead, they are building the economic and institutional means to resist.

A TASTE OF YOUR OWN MEDICINE

The weapons of interdependence have been proliferating for several years and are now being deployed to counter U.S. power. As China and the European Union began to understand their risks, they, too, tried to shore up their own vulnerabilities and perhaps take advantage of the vulnerabilities of others. For these great powers, as for the United States, simply identifying key economic chokepoints is not enough. It is also necessary to build the state apparatus that can gather sufficient information to grasp the immediate benefits and risks and then put that information to use. China’s approach is coming to fruition as it presses on the United States’ vulnerabilities to force it to the negotiating table. By contrast, Europe’s internal institutional weaknesses force it to vacillate, putting it in a dangerous position vis-à-vis the United States and China.

For China, the former U.S. National Security Agency contractor Edward Snowden’s 2013 exposure of U.S. surveillance practices demonstrated both the reach of the United States and the mechanics of

the new era. Previously, Beijing had viewed technological independence as an important long-term goal. After Snowden, it saw dependence on U.S. technology as an urgent short-term threat. As our work with the political scientists Yeling Tan and Mark Dallas has shown, articles in Chinese state media began to trumpet the crucial role of “information security” and “data sovereignty” to China’s national security.

The real wake-up call came when the first Trump administration threatened to cut off ZTE, a major Chinese telecommunications company, from access to U.S. technology and then weaponized export controls against Huawei, which the administration had come to see as an urgent threat to U.S. tech dominance and national security. Chinese state media began to focus on the risks posed by “chokepoints” and the need for “self-reliance.”

These fears translated into policy actions as the Chinese Communist Party developed a “whole-of-nation system” to secure China’s technological independence, calling for “breakthroughs in major ‘chokepoint’ technologies and products.” China also began to think about how it could better exploit its advantages in rare-earth mining and processing, where it had gained a stranglehold as U.S. and other companies fell out of the market. China’s power in this sector comes not from a simple monopoly over the minerals, which the country doesn’t fully possess, but from its domination of the economic and technological ecosystem necessary to extract and process them. Notably, these critical minerals are used for a variety of high-tech industrial purposes, including producing the specialized magnets that are crucial to cars, planes, and other sophisticated technologies.

China had already threatened to cut back its rare-earth supply to Japan during a 2010 territorial dispute, but it lacked the means to exploit this chokepoint systematically. After it woke up to the threat of the United States’ exploitation of chokepoints, China stole a page from the American playbook. In 2020, Beijing put in place an export control law that repurposed the basic elements of the U.S. system. This was followed in 2024 by new regulations restricting the export of dual-use items. In short order, China built a bureaucratic apparatus to turn chokepoints into practical leverage. China also realized that in a world of weaponized interdependence, power comes not from possessing substitutable commodities but from controlling the technological stack. Just as the United States restricted the export of chip manufacturing equipment and software, China forbade the

export of equipment necessary to process rare earths. These complex regulatory systems provide China not only with greater control but also with crucial information about who is buying what, allowing it to target other countries' pain points with greater finesse.

This is why American and European manufacturers found themselves in a bind this June. China did not use its new export control system simply to retaliate against Trump but to squeeze Europe and discourage it from siding with the United States. German car manufacturers such as Mercedes and BMW worried as much as their U.S. competitors that their production lines would grind to a halt without specialized magnets. When the United States and China first reached a provisional deal, Trump announced on Truth Social that “FULL MAGNETS, AND ANY NECESSARY RARE EARTHS, WILL BE SUPPLIED, UP FRONT, BY CHINA,” recognizing the urgency of the threat to the U.S. economy. China's long-term problem is that its state is too powerful and too willing to intervene in the domestic economy for purely political purposes, hampering investment and potentially strangling innovation. Still, in the short term, it has built the critical capacity to reimpose controls as it deems necessary to resist further U.S. demands.

ALL TALK

Whether Europe can withstand pressure from Beijing—and, for that matter, from Washington—remains an open question. Europe has many of the capacities of a geoeconomic superpower but lacks the institutional machinery to make use of them. The SWIFT system, after all, is based in Belgium, as is Euroclear, the settlement infrastructure for many euro-based assets. European companies—including the Dutch semiconductor lithography giant ASML, the German enterprise software firm SAP, and the Swedish 5G provider Ericsson—occupy key chokepoints in technology stacks. The European single market is by some measures the second largest in the world, potentially allowing it to squeeze companies that want to sell goods to European businesses and consumers.

But that would require Europe to build its own comprehensive suite of institutions and independent stack of technologies. That is unlikely to happen in the short to medium term, unless the nascent “EuroStack” project, which aims to secure Europe from foreign interference by building an independent information technology base,

really takes off. Even though Europe woke up to the danger of weaponized interdependence during the first Trump administration, it quickly fell back asleep.

In fairness, the EU's weaknesses also reflect its unique circumstances: it depends on an outside military patron. The Russian invasion of Ukraine has heightened Europe's short-term dependence on the United States, even as European countries struggle to bolster their defensive capacities. The Biden administration put a friendly gloss on economic coercion, coordinating with European governments such as the Netherlands to limit exports of ASML's machinery to China. At the same time, the United States provided Europe with the detailed intelligence that it needed to wield financial sanctions and export controls against Russia, obviating the need for Europe to develop its own abilities.

Economic interdependence has been turned against the United States.

Europe's lassitude is heightened by internal divisions. When China imposed a series of export restrictions on Lithuania to punish it for its political support of Taiwan in 2021, German companies pressed the Lithuanian government to de-escalate. Again and again, Europe's response to the threat of Chinese economic coercion has been kneecapped by European companies desperate to maintain their access to Chinese markets. At the same time, measures to increase economic security are repeatedly watered down by EU member states or qualified by trade missions to Beijing, which are full of senior officials eager to make deals.

Most profoundly, Europe finds it nearly impossible to act coherently on economic security because its countries jealously retain individual control over national security, whereas the EU as a whole manages trade and key aspects of market regulation. There are many highly competent officials scattered throughout the European Commission's trade directorate and the national capitals of member states but few ways for them to coordinate on large-scale actions combining economic instruments with national security objectives.

The result is that Europe has a profusion of economic security goals but lacks the means to achieve them. Although European Commission President Ursula von der Leyen has warned of "the risk of weaponization of interdependencies," and her commission has

prepared a genuinely sophisticated strategy for European economic security, it doesn't have the bureaucratic tools to deliver results. It has no equivalent of the U.S. Office of Foreign Assets Control (OFAC), which is capable of gathering information and targeting measures against opponents, or of China's new export control machinery.

One immediate test is whether Europe will use its purported big bazooka, the "anti-coercion instrument," or let it rust into obsolescence. This complex legal mechanism—which allows the EU to respond to coercion through a broad set of tools, including limiting market access, foreign direct investment, and public procurement—is supposed to allow Brussels to retaliate against allies and adversaries. The instrument was conceived as a response to the threat of Trump's first administration and hastily retrofitted to provide a means of pushing back against China.

From the beginning, however, European officials made it clear that they hoped they would never have to actually use the anti-coercion instrument, believing that its mere existence would be a sufficient deterrent. That has turned out to be a grave misjudgment. The anti-coercion instrument is encumbered with legalistic safeguards intended to ensure that the European Commission will not deploy it without sufficient approval from EU member states. Those safeguards make other powers such as China and the United States doubt that it will ever be used against them. Its lengthy deployment process will give them the opportunity they need to disarm any enforcement action, using threats and promises to mobilize internal opposition against it. As with earlier European efforts to block sanctions, China and the United States can usually bet on the EACO principle that "Europe Always Chickens Out" in geoeconomic confrontations. Europe lacks the information, institutional clout, and internal agreement to do much else.

The anti-coercion instrument is the exact opposite of the "Doomsday Machine" in the film *Dr. Strangelove*, the classic Cold War satire. That machine was a disaster because it automatically launched nuclear missiles in response to an attack but was kept a closely guarded secret until an attack was launched. In contrast, European officials talk incessantly about their doomsday device, but Europe's adversaries feel sure that it will never be deployed; that certainty encourages them to coerce European companies and countries at their leisure.

SELF-SABOTAGE

Europe is hampered by structural weaknesses, but the United States' difficulties largely result from its own choices. After decades of slowly building the complex machinery of economic warfare, the United States is ripping it apart.

This is in part an unintended consequence of domestic politics. The second Trump administration imposed a hiring freeze across the federal government, hitting many institutions including the Treasury's Office of Terrorism and Financial Intelligence, which oversees OFAC, and leaving key positions unfilled and departments understaffed. Initial budget proposals anticipate an overall reduction in funding for the office, even as the number of sanctions-related programs has continued to rise. Although U.S. Commerce Secretary Howard Lutnick has expressed support for his department's Bureau of Industry and Security, which is chiefly responsible for export controls, the agency lost over a dozen employees as part of the government's sweeping force reductions. OFAC and the BIS were never as all-seeing as their reputations suggested and sometimes made mistakes. Nonetheless, they provided Washington with an extraordinary edge. Other countries had no equivalent to OFAC's maps of global finance or the detailed understanding of semiconductor supply chains developed by key officials on Biden's National Security Council.

Such institutional decay is the inevitable consequence of Trumpism. In Trump's eyes, all institutional restraints on his power are illegitimate. This has led to a large overhaul of the apparatus that has served to direct economic security decisions over the last decades. As the journalist Nahal Toosi has documented in *Politico*, the National Security Council, which is supposed to coordinate security policy across the federal government and agencies, has cut its staff by more than half. The State Department has been decimated by job cuts, while the traditional interagency process through which policy gets made and communicated has virtually disappeared, leaving officials in the dark over what is expected of them and allowing adventurous officials to fill the vacuum with their own uncoordinated initiatives. Instead, policy is centered on Trump himself and whoever has last talked to him in the uncontrolled cavalcade of visitors streaming through the Oval Office. As personalism replaces bureaucratic decision-making, short-term profit trumps long-term national interest.

This is leading to pushback from allies—and from U.S. courts. Canadian Prime Minister Mark Carney recently warned that “the United States is beginning to monetize its hegemony.” U.S. federal courts, which have long been exceedingly deferential to the executive when it comes to national security issues, may be having second thoughts. In May, the U.S. Court of International Trade issued a striking decision, holding that the United States had overstepped its authority when it invoked the International Emergency Economic

China built a bureaucratic apparatus to turn chokepoints into practical leverage.

Powers Act—the legal bedrock for much of U.S. coercive power—to impose tariffs on Canada and Mexico. That decision has been appealed to the Court of Appeals for the Federal Circuit, but the judgment is likely just the first of many challenges. Notably, the trade case resulted from a complaint filed by conservative and libertarian lawyers.

The Trump administration’s assault on state institutions is weakening the material sources of American power. Across core sectors—finance, technology, and energy—the administration is making the United States less central than it used to be. Trump and his allies are aggressively pushing cryptocurrencies, which are more opaque and less accountable than the traditional greenback, and forswearing enforcement actions against cryptocurrency platforms that enable sanctions evasion and money laundering. In April, the U.S. government lifted sanctions against Tornado Cash, a service that had laundered hundreds of millions of dollars’ worth of stolen cryptocurrency for North Korea, according to the U.S. Department of Treasury. And the bipartisan American love affair with stablecoins, a kind of cryptocurrency, is pushing China and Europe to accelerate their efforts to develop alternative payment systems.

In some instances, the Trump administration has reversed Biden’s policies and promoted the diffusion of previously controlled technology. In a remarkable deal with the United Arab Emirates, the Trump administration agreed to facilitate the massive expansion of data centers in the region using advanced U.S. semiconductors despite continued relations between the UAE and China and warnings from policy experts that the United States should not depend on the Middle East for AI.

Most recently, the spending bill that Trump and his congressional allies pushed through earlier this summer effectively cedes control of next-generation energy technology to China by doubling down on the carbon economy. Even as Washington works to counteract Chinese influence over critical minerals, it is eliminating measures aimed at minimizing U.S. dependence on Chinese supply chains in the crucial areas of renewable energy and battery development and radically defunding its investment in science. The result is that the United States will face the unenviable choice between relying on Chinese energy technology or trying its best to make do with the moribund technologies of an earlier age.

One might have expected that the United States would respond to the age of weaponized interdependence as it responded to the earlier era of nuclear proliferation: by recalibrating its long-term strategy, building the institutional capabilities necessary to make good policy, and strengthening its global position. Instead, it is placing its bets on short-term dealmaking, gutting institutional capacity to analyze information and coordinate policy, and poisoning the economic and technological hubs that it still controls.

This does not just affect Washington's ability to coerce others; it also undermines the attractiveness of key U.S. economic platforms. The use of weaponized interdependence always exploited the advantages of the "American stack": the mutually reinforcing suite of institutional and technological relationships that drew others into the United States' orbit. When used wisely, weaponization advanced slowly and within boundaries that others could tolerate.

Now, however, the United States is spiraling into a rapid and uncontrollable drawdown of its assets, pursuing short-term goals at the expense of long-term objectives. It is increasingly using its tools in a haphazard way that invites miscalculations and unanticipated consequences. And it is doing so in a world in which other countries are not only developing their own capacities to punish the United States but also building technological stacks that may be more appealing to the world than the United States'. If China leaps ahead on energy technology, as seems likely, other countries are going to be pulled into its orbit. Dark warnings from the United States about the risks of dependence on China will ring hollow to countries that are all too aware of how willing the United States is to weaponize interdependence for its own selfish purposes.

TIME TO REBUILD

In the first decades of the nuclear age, American policymakers faced enormous uncertainty about how to achieve stability and peace. That led them to make major investments in institutions and strategic doctrines that could prevent nightmare scenarios. Washington, now entering a similar moment in the age of weaponized interdependence, finds itself in a particularly precarious position.

The current U.S. administration recognizes that the United States is not only able to exploit others' economic vulnerabilities but also deeply vulnerable itself. Addressing these problems, however, would require the administration to act counter to Trump's deepest instincts.

The main problem is that as national security and economic policy merge, governments have to deal with excruciatingly complex phenomena that are not under their control: global supply chains, international financial flows, and emerging technological systems. Nuclear doctrines focused on predicting a single adversary's responses; today, when geopolitics is shaped in large part by weaponized interdependence, governments must navigate a terrain with many more players, figuring out how to redirect private-sector supply chains in directions that do not hurt themselves while anticipating the responses of a multitude of governmental and nongovernmental actors.

Making the United States capable of holding its own in the age of weaponized interdependence will require more than just halting the rapid, unscheduled disassembly of the bureaucratic structures that constrain seat-of-the-pants policymaking and self-dealing. Successful strategy in an age of weaponized interdependence requires building up these very institutions to make them more flexible and more capable of developing the deep expertise that is needed to understand an enormously complex world in which Washington's adversaries now hold many of the cards. That may be a difficult sell for a political system that has come to see expertise as a dirty word, but it is vitally necessary to preserve the national interest.

Washington has focused more on thinking about how best to use these weapons than on when they ought not be used. Other countries have been willing to rely on U.S. technological and financial infrastructure despite the risks because they perceived the United States as a government whose self-interest was constrained, at least

to some extent, by the rule of law and a willingness to consider the interests of its allies. That calculus has shifted, likely irreversibly, as the second Trump administration has made it clear that it views the countries that the United States has historically been closest to less as allies than as vassal states. Without clear and enforceable limits on U.S. coercion, the most dominant U.S.-based multinational firms, such as Google and J. P. Morgan, will find themselves trapped in the no man's land of a new war zone, taking incoming fire from all sides. As countries work to insulate themselves from U.S. coercion (and American infrastructure), global markets are experiencing deep fragmentation and fracturing. There is "a growing acceptance of fragmentation" in the global economy, former Treasury Secretary Larry Summers has warned, and "maybe even more troubling—I think there's a growing sense that ours may not be the best fragment to be associated with."

That, in turn, suggests a deeper lesson. The United States benefited from its ability to weaponize interdependence over the last quarter century. It enjoyed the advantages of an international economy based on multilateral institutions and a technological regime built around its self-image as a liberal power, even while acting in unilateral and sometimes illiberal ways to secure its interests as it saw fit. Just a year ago, some American intellectuals and policymakers hoped that this system could survive into the indefinite future, so that unilateral U.S. coercive strength and liberal values would continue to go hand in hand.

That now seems extremely unlikely. The United States is faced with a choice: a world in which aggressive American coercion and U.S. hegemonic decline reinforce each other or one in which Washington realigns itself with other liberal-minded countries by forswearing the abuse of its unilateral powers. Not too long ago, American officials and many intellectuals perceived the age of weaponized interdependence and the age of American hegemony as one and the same. Such assumptions now seem outdated, as other countries gain these weapons, too. As during the nuclear era, the United States needs to turn away from unilateralism, toward détente and arms control, and, perhaps in the very long term, toward rebuilding an interdependent global economy on more robust foundations. A failure to do so will put both American security and American prosperity at risk. 🌐



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From Control to Harmony: Rethinking Leadership in a Fractured World



By Léon Laulusa, Executive President & Dean of ESCP Business School

What do Confucius, Kant and The Beatles have in common?

Harmony.

Harmony has long inspired philosophers, artists and thinkers across cultures. For Confucius, harmony was the foundation of good governance and social cohesion. For Kant, it emerged from beauty and the sublime. For The Beatles, it was a musical ideal that captivated millions.

But in today's fractured world, could harmony also offer a new compass for global leadership and business management?

Rethinking performance

For centuries, our economic, political and managerial systems have been shaped by the Principle of **Control**, anchored in efficiency, predictability and hierarchy and the will to dominate nature. Control depends on processes and procedures to guide and protect an organisation.

But control, as a leadership principle, is showing its limits. In a world marked by polycrisis—climate emergency, geopolitical fragmentation, technological disruption, institutional distrust—command-and-control thinking often reinforces rigidity, fosters zero-sum behavior, and erodes resilience.

The alternative is not chaos. It is **harmony**.

Harmony is not the absence of conflict. It is the capacity to integrate contradiction. Unlike control, which seeks insulation from disorder, harmony embraces complexity, diversity, and interdependence. Harmony chooses to create ecosystems where different elements (people, technology, nature, and organisations) work together symbiotically.

However, when applied alone, harmony may sometimes limit innovation and self-transcendence.

And if we harmonised the two?

By blending control with harmony—performance with purpose—we embrace a model that integrates efficiency, accountability and long-term sustainability, where economic progress thrives alongside individual and collective well-being.

Harmony as our Strategic Compass

In a D.I.S.R.U.P.T.E.D. world—Digital, Inclusive, Sustainable, Rapid, Unpredictable, Polarized, Transformative, Empowered, Dynamic—where so much feels beyond our grasp, **harmonious performance** may offer the direction we need.

In this light, harmonious performance is no longer a lofty ideal. It becomes a leadership imperative. Aligning growth with social and environmental responsibility enables organisations to build

resilience they need in a world of constant disruption.

At ESCP Business School, we believe that developing this new model of leadership starts with reimagining how we learn. To succeed in a world shaped by uncertainty and rapid transformation, leaders need hybrid skills—combining artificial intelligence with emotional intelligence, critical thinking with creativity, innovation with integrity.

This commitment to hybrid learning is at the heart of our new strategic vision for 2026 - 2030: **Bold & United**. In the next five years, ESCP Business School will expand with the creation of two new schools: the ESCP School of Technology and the ESCP School of Governance, paving the way to become the first European University of Management.

These schools will work in synergy to foster hybrid skills, ethical leadership, and inclusive learning experiences, fully aligned with ESCP's humanistic values and attuned to the needs of employers, the challenges of society and the aspirations of students.

Harmonious Leadership for a D.I.S.R.U.P.T.E.D. World

Leadership rooted solely in control feels increasingly out of step in today's D.I.S.R.U.P.T.E.D. world. Could harmony offer a new path forward?

At ESCP, we are committed to exploring and embodying that very question.

The New Economic Geography

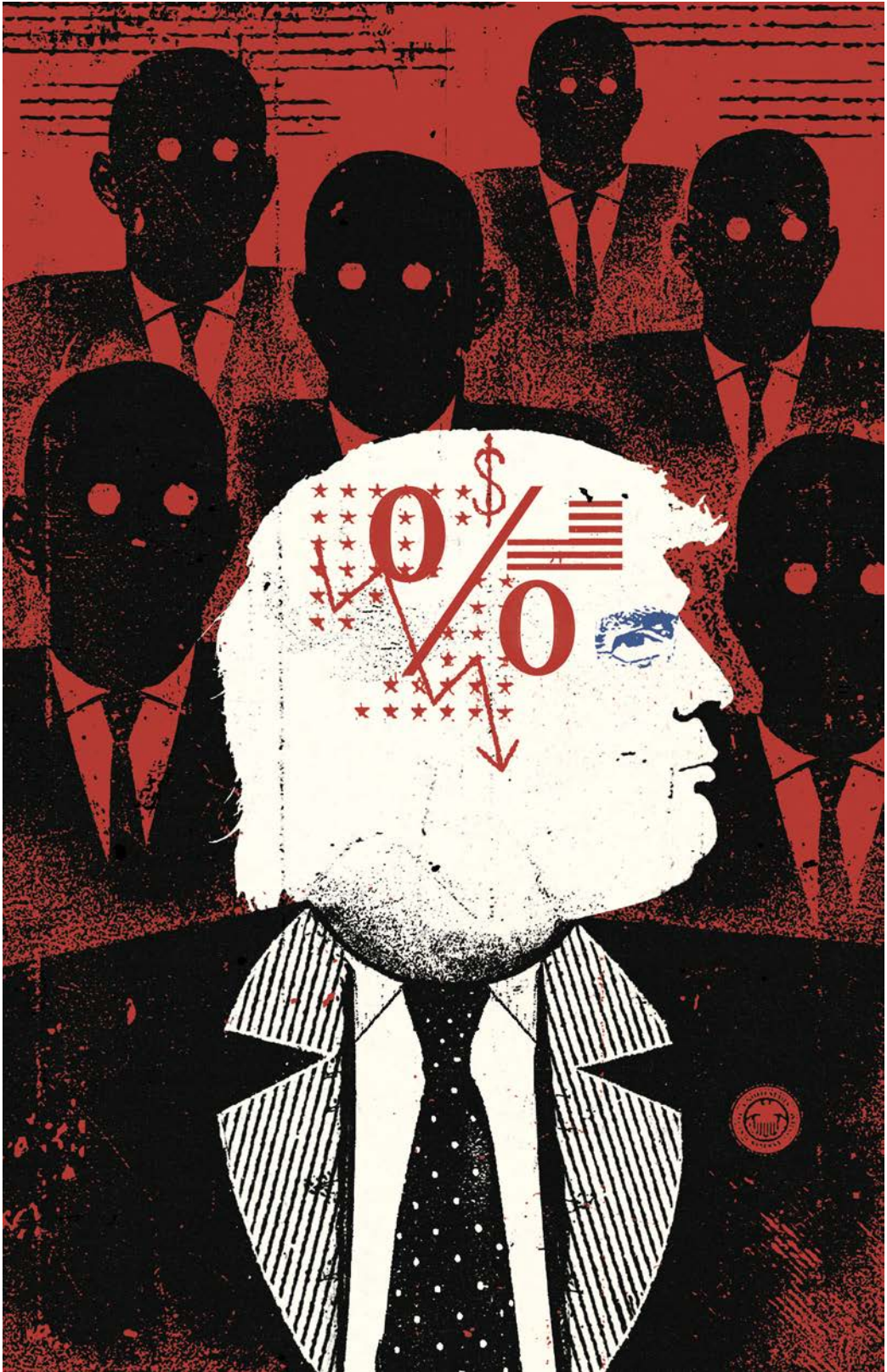
Who Profits in a Post-American World?

ADAM S. POSEN

The post-American world economy has arrived. U.S. President Donald Trump's radical shift in economic approach has already begun to change norms, behaviors, and institutions globally. Like a major earthquake, it has given rise to new features in the landscape and rendered many existing economic structures unusable. This event was a political choice, not an inevitable natural disaster. But the changes that it is driving are here to stay. No guard-rails will automatically restore the previous status quo.

To understand these changes, many analysts and politicians focus on the degree to which supply chains and trade in manufactured goods are shifting between the United States and China. But that focus is too narrow. Asking whether the United States or China will remain central to the world's economy—or looking primarily at trade balances—yields a dramatic underestimate of the scope and impact of Trump's changed approach and how comprehensively the prior U.S.

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framework undergirded the economic decisions made by almost every state, financial institution, and company worldwide.

In essence, the global public goods that the United States provided after the end of World War II—among others, the ability to securely navigate the air and seas, the presumption that property is safe from expropriation, rules for international trade, and stable dollar assets in which to transact business and store money—can be thought of, in economic terms, as forms of insurance. The United States collected

The United States profited handsomely from being an insurance provider.

premiums from the countries that participated in the system it led in a variety of ways, including through its ability to set rules that made the U.S. economy the most attractive one to investors. In return, the societies that bought into the system were freed to expend much less effort on securing their economies against uncertainty, enabling them to pursue the commerce that helped them flourish.

Some pressures had been building within this system before Trump's ascent. But particularly in his second term, Trump has switched the United States' role from global insurer to extractor of profit. Instead of the insurer securing its clients against external threats, under the new regime, the threat against which insurance is sold comes as much from the insurer as from the global environment. The Trump administration promises to spare clients from its own assaults for a higher price than before. Trump has threatened to block access to American markets on a broad scale; made the protections that come with military alliances explicitly dependent on the purchase of U.S. weapons, energy, and industrial products; required foreigners who want to operate businesses in the United States to make side payments to his personal priorities; and pressured Mexico, Vietnam, and other countries to drop Chinese industrial inputs or investment by Chinese companies. These acts are on a scale unprecedented in modern U.S. governance.

The United States' withdrawal of its former insurance will fundamentally change the behavior of the country's clients and its clients' clients—and not in the ways that Trump hopes. China, the country whose behavior most U.S. officials want to change, will likely be the least affected, while the United States' closest allies will be the most damaged. As other U.S. partners watch these reliant allies suffer,

they will seek to self-insure instead, at great cost to them. Assets will become harder to save and investment abroad less appealing. As their exposure to global economic and security risks rises, governments will find that both foreign diversification and macroeconomic policy have become less effective tools for stabilizing their economies.

Some argue that Trump's new posture will simply drive a potentially desirable realignment. In this view, although his program requires both governments and businesses to pay more for less, the world will ultimately accept its new normal, to the United States' benefit. This is a delusion. In the world Trump's program creates, everyone will suffer—not least the United States.



GANGSTER'S PARADISE

Imagine that you were fortunate enough to inherit a piece of land by the ocean. It always offered great views and beach access. But you only invested in building a grand house on the lot when a well-regulated, reliable company came along that offered sufficient home insurance. You had to pay a pretty penny for it, of course. But that company's coverage also enabled the owners of nearby lots to build, inspiring the creation of a rewarding neighborhood with roads, water, cell towers, rising home values—and most crucially, the guarantee that if you continued to pay premiums insuring you against floods and hurricanes, any further investments you made in your property would be at low risk.

In essence, this is the economic situation in which much of the world operated for nearly 80 years. The United States recouped enormous benefits by acting as the world's dominant insurance provider after World War II. By assuming this role, it also maintained some control over other countries' economic and security policies without having to resort to harsh threats. In return, countries that participated in the system were shielded from various forms of risk. Washington's military supremacy and the mechanisms of international order that it enforced allowed national borders to remain mostly settled; most economies could thrive without the threat of conquest. Between 1980 and 2020, incomes converged overall both between and within the states that took part.

Economic injustices persisted; at times, they were imposed by the United States. But broadly, this global insurance regime was a win-win for nearly everyone with regard to economic stability, innovation, and growth. Violence and warfare declined overall, and poorer states were

better able to integrate their economies with higher-income markets that opened up to trade. This security may have rested on a communal illusion about how little military investment and action it would take to keep geopolitics stable. But that regime persisted for decades, in part because U.S. policymakers in both parties valued the system and in part because enough outside actors believed in it and benefited from it.

Now that sense of safety is gone. Imagine, again, your hypothetical beachfront house. Some threats to your property have started to increase: sea levels are rising, and hurricanes are becoming deadlier. Instead of simply raising your premium, however, your insurer—which you had long trusted and dutifully paid—suddenly begins to refuse your claims for damage unless you pay double your official rate and slip the insurer something extra under the table, too. Even if you do pay what is asked, the insurer then writes to say that it is tripling the price of your general premium for less comprehensive coverage. Alternative insurers are not available. Meanwhile, your taxes begin to rise, and your day-to-day public services become less reliable because of the demands that disaster response is placing on your community.

Trump is not the only actor responsible for the breakdown of the economic regime that prevailed for 80 years. The list of contributing factors—the underlying threats not posed by your home insurer, in the beach house analogy—is long. The rise of China, and the United States' response, played a part. So, too, did climate change, the advance of information technology, and the U.S. electorate's understandable loss of trust in incumbent elites after the country's interventions in Afghanistan and Iraq, the 2008–9 global financial crisis, and the COVID-19 pandemic.

But the Trump administration's policies constitute a clear turning point. The president's supporters sometimes portray these as a mere repricing of risk: the free world's insurer is adjusting its fees and services to fit new realities and correct a previous tendency to underprice its offerings. This depiction is mistaken. The Trump administration has made clear that it wants the United States to operate a completely different kind of scheme, in which it weaponizes and maintains uncertainty in order to extract as much as it can for as little as possible in return.

Trump and his advisers would argue that this is simple reciprocity or fair treatment for countries that, in their view, exploited the United States for decades. Yet those countries never extracted anything that remotely matched what the United States received:

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dirt cheap long-term loans to the U.S. government; disproportionately massive foreign investment in American corporations and the U.S. workforce; a near-global adherence to U.S. technical and legal standards that advantaged U.S.-based producers; reliance on the U.S. financial system for the vast majority of global transactions and reserves; compliance with U.S. initiatives on sanctions; payments for garrisoning American troops; widespread dependence on the U.S. defense industry; and best of all, a sustained rise in the American standard of living. Not only did the United States profit handsomely from being an insurance provider that others valued, but its allies also ceded many important security-related decisions to Washington.

The great thing about providing insurance is that for years at a time, you don't have to do or pay anything to collect your premiums. That is even truer for the form of economic insurance the United States provided globally than it is for a home insurance provider, because the very existence of the U.S. security guarantees reduced the real-world threats to policyholders. This reduced the claims paid out. But the Trump administration is jettisoning this profitable and steady business model in favor of one that reinforces the opposite cycle. Ever-fewer clients will become more at risk. Already, businesses, governments, and investors are fundamentally changing their practices to try to self-insure instead.

FIGHT OR FLIGHT

In truth, Trump's approach will do the greatest damage to the economies that are most closely tied to the U.S. economy and took the previous rules of the game most for granted: Canada, Japan, Mexico, South Korea, and the United Kingdom. Take Japan: it had bet on the United States long term, investing substantially in U.S.-located production for over 45 years and transferring its technological and managerial innovations along the way. It has placed a larger share of its people's savings in U.S. Treasuries for longer than any other economy. Japan agreed to serve as the United States' floating aircraft carrier on the frontline with China, and it garrisons U.S. troops in Okinawa despite growing domestic opposition. Japan supported the first Trump administration in the G-7 and the G-20, followed the Biden administration in adopting parallel sanctions against Russia after Russia's invasion of Ukraine, and, since 2013, has increased its military spending substantially in line with U.S. policy priorities.

Until this year, what Japan got in return was reliable platinum-tier coverage. Japanese investors and businesses were able to take it for granted that they could sell products competitively in the U.S. market, get their savings in and out of U.S. Treasury bonds and other dollar-denominated assets as needed, and safely invest in production in the United States. Japan's economic strategy heading into Trump's second term was based on the assumption that this coverage would continue, if at a higher price: in 2023 and 2024, Japanese companies announced investment plans that emphasized their readiness to put even more capital into U.S. industries, including uncompetitive ones such as steel, and forgo some market share in China to coordinate with the United States.

The trade deal announced in mid-July between the United States and Japan has increased the price tag for Japan well beyond that and diminished Japan's coverage. The 15 percent tariffs imposed on the country are ten times what they had been and affect autos and auto parts, steel, and other major Japanese industries. Japan committed to creating a fund that invests an additional 14 percent of the country's GDP into the United States—its monies spent at Trump's personal discretion—that will cede a share of any profits to the United States. This constitutes a huge downgrade in Japanese savers' expected returns and control compared with their prior private-sector investments, which were not subjected to such arbitrary U.S. government oversight. Explicit provisions requiring Japan to buy U.S. aircraft, rice, and other agricultural products, as well as support Alaskan natural gas extraction, expose the country to new risks. Even if Japan delivers on the agreement, it will remain vulnerable to Trump's potential decisions to unilaterally raise its premium and reduce its coverage even further. Meanwhile, Washington's recent accommodations to China on the semiconductor trade further diminish the benefits for Japan of pursuing an alliance-based economic path.

The Trump administration expected that its key allies would simply pay any price for U.S. protection. So far, Japan, Mexico, the Philippines, and the United Kingdom have followed an approach closest to the one that the Trump administration anticipated. In the near term, these countries have decided that their fates must lie with the United States, whatever the cost. But Trump underestimated the degree to which allies' closeness to the United States would lead them to register Washington's new stance as a shocking betrayal. The popularity of

the United States has declined sharply: in the Pew Research Center's spring 2025 survey on attitudes toward the United States, the proportion of Japanese citizens who viewed the country favorably had slid by 15 percentage points from a year earlier; the country's favorability rating had plummeted by 20 points among Canadians and 32 points among Mexicans. This large and negative shift reflects the sense of disappointment that only those truly invested in a relationship can feel.

National security concerns, existing ties, and—in the case of Canada and Mexico—geographical proximity will limit the degree to which the United States' closest allies can undo their economic dependence. Yet they have more room to do so than advocates of Trump's economic approach appreciate. Canada has resisted Trump's attempts to unilaterally revise the 2020 U.S.-Mexico-Canada trade agreement and impose asymmetrically high tariffs on Canadian goods. Prime Minister Mark Carney and all of Canada's provincial premiers announced in July that, to reduce the country's dependence on the United States, they had agreed to limit their concessions to Trump's escalating demands and actively pursue increased internal integration. Carney also vowed to expand trade with the EU and other entities.

Other close U.S. allies such as Australia and South Korea will probably decide that in the near term, they have no choice but to throw in their lot with the United States. Over time, however, allies may well tire of the declining benefits that appeasement yields and reorient their investments. Like Canada, they will try to expand their ties with China, the EU, and the Association of Southeast Asian Nations (ASEAN). But this reorientation will yield a worse outcome for all these economies. They relied economically on the United States for good reason; if substitute markets, investments, and products were just as valuable, they would have chosen those in the first place. In the absence of fairly priced U.S. insurance, the value proposition changes.

LEFT BEHIND

The seismic Trump shock has hit other major economic land masses, too. ASEAN and the EU were always less fully aligned with the United States on economic and security policy than the five most integrated allies were. The two blocs are diverse, with a variety of commercial specializations, advantages, and political orientations within their memberships. Yet they and their member states—particularly Germany, France, the Netherlands, Singapore, Sweden, and Vietnam—have

also based their economic behavior on the insurance the United States previously provided. As a result, they came to play leading roles in U.S. supply chains and technology investment. Their governments and citizens poured money into the U.S. economy through foreign direct investment, purchases of Treasury bonds, and participation in the U.S. stock market. They agreed to join U.S. sanctions and export-control regimes, albeit less consistently, and directly supported the U.S. military.

Trump has now subjected these countries to massive tariffs and tariff threats as well as bilateral requests for specific accommodations and side payments, such as demands that they purchase more U.S. natural gas or transfer industrial production to the United States. These economic players have more choice in how much effort they want to devote toward maintaining ties with the United States. And they are shifting their behavior more rapidly, strengthening economic linkages with one another and with China. ASEAN and the EU both had greater commercial ties to China than to the United States to begin with; that gap is widening, not only because the Chinese economy is growing but also because the United States is limiting its exports to and imports from China and its investment there. Over the past decade, the share of Chinese inputs into European and Southeast Asian industrial supply chains rose steeply as the United States' share fell.

It is not sustainable for the EU, and certainly not for ASEAN, to economically isolate China, and the gains from doing business with China will only increase as the United States leaves the scene. Commerce with China does not substitute for the insurance that the United States previously provided. But as the Trump regime makes the United States less competitive as a site for production and limits access to the U.S. market (shrinking that market's growth potential), an expansion of trade and investment with China can provide these blocs with a partial offset. As sizable economic entities in their own right, Asian and European countries have a far greater ability to pursue a different path, even though they will be spending more to self-insure than they used to. For instance, orders for Eurofighter jets as an alternative to U.S. combat aircraft have surged among NATO members such as Spain and Turkey. And the Indonesian government, in the spring of 2025, struck new economic deals with China, includ-

The world has
more savings than
it has safe places
to stow them.

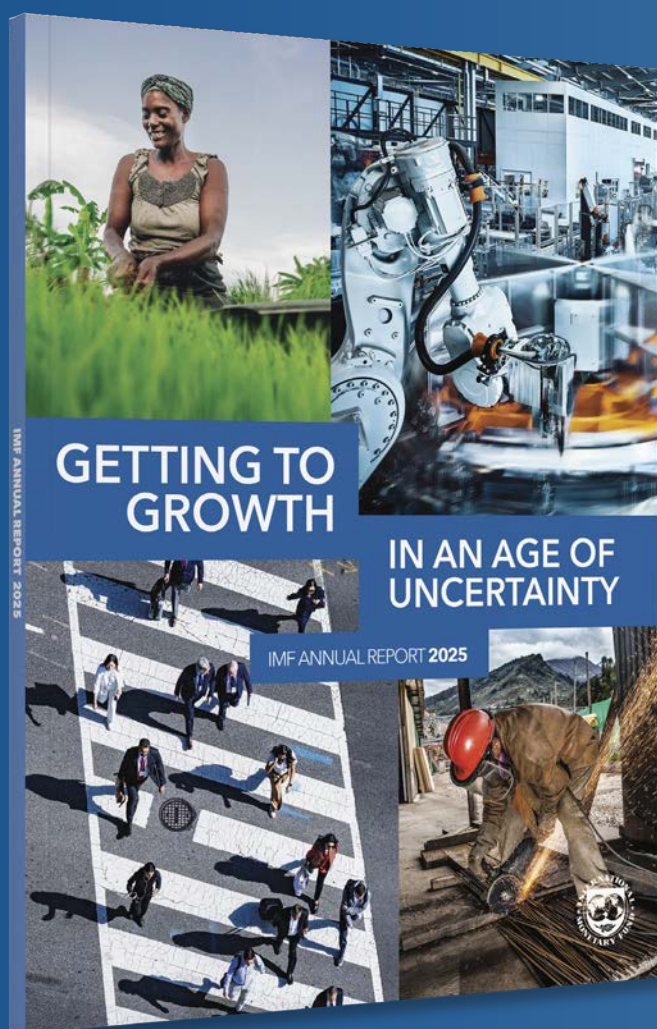
ing an approximately \$3 billion “twin” industrial park project that will link Central Java with Fujian Province. The project is expected to create thousands of jobs in Indonesia at a moment when nothing of that kind is on offer from the United States. Indonesia’s central bank and the People’s Bank of China have also agreed to promote trade in local currencies, and the two countries have vowed to strengthen their maritime cooperation; both deals surprised U.S. policymakers.

Additionally (and crucially), Trump’s economic policy is reinforcing and accelerating the separation of two clear tiers of emerging markets in terms of their resilience to macroeconomic shocks. During the 1998–99 and 2008–9 financial crises, even the largest emerging economies—Brazil, India, Indonesia, and Turkey—suffered badly. But they have become substantially more resilient, thanks to domestic reforms as well as new export and investment opportunities offered by richer countries (including China). During the COVID-19 pandemic and the U.S. Federal Reserve’s subsequent enormous interest-rate increase, their economies did not suffer much financial damage. The largest emerging markets remained able to adjust their fiscal and monetary policies with some autonomy.

Dozens of lower- and middle-income economies, by contrast, accumulated debt at a devastating pace. Since 2000, the decline in real income in these countries has more than offset the gains they had made in the previous decade. Trump’s new approach has further closed off their economic opportunities, and the way he has encouraged the larger emerging markets, particularly India, to adopt their own homeland-first policies only deepens poorer economies’ isolation.

Capital seeks opportunity, but also security. The U.S. withdrawal of economic insurance, and Trump’s hard turn against foreign aid and development, will reinforce investors’ preference for relatively stable locales. Thus, the poorest countries in Central America, Central and South Asia, and Africa are likely to become stuck in the economic lowlands with little means of exit while the larger, geopolitically significant emerging markets will, relatively speaking, become more attractive. Some of the poorest countries will make deals—for instance, by providing the United States with preferred access to their resources or serving as destinations for U.S. deportees. That response, however, cannot yield the kind of sustainable growth that many emerging economies enjoyed under the old U.S. insurance regime.

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SOLID AND LIQUID

Perhaps the most important change the United States has made to its insurance scheme, however, is to reduce the dollar's liquidity—which diminishes the safety of the portfolios of savers worldwide. U.S. assets that were previously viewed as low-to-no-risk can no longer be considered entirely safe. This will have far-reaching ramifications for the global availability and flow of capital.

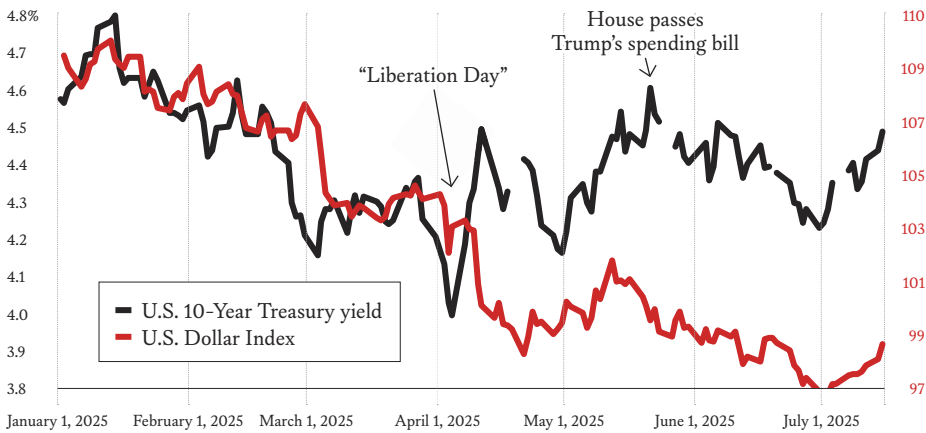
During Trump's 2024 election campaign and since he took office, top officials in his administration have repeatedly threatened to trap investors in U.S. Treasuries by, for example, forcing countries and institutions to swap their current holdings for longer-term or perpetual debt, punishing governments that promote the use of currencies other than the dollar, and taxing foreign investors at higher rates than domestic ones. Trump administration officials have not yet followed through. But these threats, combined with repeated attacks on the Federal Reserve's independence and promises to depreciate the dollar, are steadily undermining the perceived stability of the dollar and Treasury bonds.

The underlying problem is that the world has more savings than it has safe places to stow them. Cash-rich surplus economies—places such as China, Germany, and Saudi Arabia, as well as smaller but striking examples such as Norway, Singapore, and the United Arab Emirates—cannot keep all their savings at home for three reasons. First, their savers would lack diversification if a country-specific shock hits their economy. Second, forcing huge amounts of savings into these mostly small markets would distort asset prices, leading to bubbles, financial instability, and abrupt shifts in employment patterns. And third, such countries do not issue enough public debt, at least not enough that foreigners want to hold. This is why, for decades, the uniquely deep, broad, and apparently safe U.S. Treasuries market—and dollar-denominated assets in general—have absorbed the lion's share of the world's excess savings.

Among the many benefits that Treasury bonds and other U.S. public markets offered to global investors, the most attractive was ample liquidity. Investors could convert assets they had in these markets into cash with few or no delays or costs. The valuation of their investments remained stable, and unlike in smaller markets, even a very large transaction would not swing prices. Investors did not have to worry that their counterparties would not accept their form of payment. With

BUCK THE TREND

Movements of the dollar and U.S. interest rates



Source: Bloomberg. Research by Asher Rose, The Peterson Institute for International Economics.

the exception of known criminals and entities targeted by sanctions, everyone in the world could rely on both the stability and flexibility of dollar-denominated investments—which in turn lowered the risk that businesses would face cash-flow crunches or miss opportunities.

The dollar's dominance, which went well beyond what the United States' GDP or share of global trade would have justified, constituted another win-win type of insurance. The United States collected premiums in the form of lower interest on its debt and steadier exchange rates. American and foreign asset holders both benefited. Even when a financial or geopolitical shock originated in the United States, investors assumed that the U.S. economy would remain safer than others. When U.S. markets directly triggered a worldwide recession in 2008, interest rates and the dollar fell and then rose together as capital from abroad flowed into the U.S. market.

Now the dollar appears to be behaving the way that most currencies do, which is to move in the opposite direction to interest rates. Until April of this year, the dollar closely tracked the day-to-day movements of the U.S. ten-year Treasury interest rate. Ever since the administration's April 2 tariff announcements, the correlation between U.S. interest rates and the dollar has reversed, indicating that something other than day-to-day economic news is driving the dollar down.

Multiple times this year, the Trump administration has announced a surprise policy change that provoked economic volatility: on April 2, the “Liberation Day” tariffs; in May, the “One Big Beautiful Bill” spending package; and, over the course of June, several threats to impose additional tariffs, as well as the U.S. bombing of Iran. In response to each of these events, the dollar fell while U.S. long-term interest rates rose, indicating a capital outflow in response to turmoil.

Similarly, throughout modern history, tariff impositions have led to currency appreciations, including during Trump’s first term. This year, however, the dollar has depreciated as the president has imposed tariffs. This major break with the historical pattern suggests that global concerns about the instability of U.S. policy have begun to outweigh the usual flight to safety that pushes up the dollar.

The Trump administration’s hostile and unpredictable approach toward U.S.-led military alliances has further eroded support for the dollar. Washington’s new stance heightens the risk that it will sanction even allied foreign investors. And as the American-led alliances have less power to reassure, other governments are boosting their defense spending, which increases the relative attractiveness of their currencies. EU bond markets, for instance, are becoming bigger and deeper as debt-financed defense spending surges in northern and eastern Europe. The euro offers more benefit to Ukraine, the Balkan States, and some Middle Eastern and North African countries that aim to reduce their vulnerability to U.S. whims by seeking euro-denominated arms, trade, investment, loans, and development aid.

DEBT COLLECTORS

European and other markets, however, cannot fully replicate the advantages that dollar-denominated assets formerly conferred. The world’s investors, including American ones, will simply have fewer safe places to put their savings as U.S. assets become less liquid. This increased insecurity will drive up long-term average interest rates on U.S. government debt just when a lot more debt is being issued. All borrowers, private and sovereign, that participate in the U.S. financial system will feel the pinch of that interest-rate rise because all loans are priced off Treasury rates in some sense.

Some savers, particularly Chinese ones, may seek to move assets out of U.S. markets. But that flight will put deflationary pressure on their home economies as their overall returns shrink and excess

savings become bottled up in markets that already had a more limited set of investment opportunities. Meanwhile, the value of alternative assets—nondollar currencies, commodities traditionally treated as stores of value such as gold and timber, and newer cryptocurrency products—will surge. Because these assets are less liquid, these upswings will almost certainly lead to periodic financial crashes and greatly complicate the challenges governments face in using monetary policy to stabilize economies. This will be a loss for the world with no net gain for the U.S. economy.

Just as persistent droughts motivate people to zealously guard access to their water supplies, a lack of liquidity in global markets encourages governments to ensure that their debt is funded at home rather than leaving it up to the market. These measures typically take the form of what is called financial repression: forcing financial institutions (and ultimately, households) to hold more public debt than they otherwise would, through some combination of regulations, capital outflow controls, and the forced allocation of newly issued debt. Financial repression tends to lower returns for savers and drives up their vulnerability to de facto expropriation.

Ultimately, the diminished availability of financing makes it harder for privately owned businesses as well as governments to ride out temporary downturns before exhausting their funding. They will have to accumulate reserves to cover dollar obligations (such as outstanding or interbank loans) in case of financial distress. If countries have to self-insure, both governments and businesses will become more risk-averse and have less available to invest, especially abroad, reinforcing the fragmentation of the world's economy.

LOSE-LOSE

Without the insurance that the United States provided, new links between economies and pathways for investment will emerge. But they will be costlier to build and maintain, less broadly accessible, and less dependable. Countries will undoubtedly seek to self-insure, but those efforts will inherently be more costly and less effective than when risk was pooled under a single insurer. Navigating the world's economy was never a smooth road. But after the earthquake of Trump's economic regime change, the terrain has become much rougher.

In the end, money spent on insurance is money that cannot be spent on other things. Governments, institutions, and companies will

have to pay simply to hedge against bad outcomes instead of funding good ones. Opportunities for investment and consumer choices will narrow. Growth in productivity (and therefore growth in real incomes) will slow as commercial competition, innovation, and global cooperation to create new infrastructure contract. Many of the poorest emerging markets will lose coverage against threats altogether—at the very moment when the risks they face are sharply increasing.

This means a worse world for almost everyone. Amid this change, however, China's immediate economic environment will be the least altered despite Trump's previous claims that he would design his economic policies to target Beijing most aggressively. China is relatively well positioned to attempt to self-insure after a U.S. withdrawal. More than any other major economy, it had already begun to reduce its

U.S. allies will not accept a “rebalancing” imposed on them.

reliance on the United States for exports, imports, investment, and technology. Whether China will be able to capture new external opportunities in the United States' retreat will depend on whether it can overcome other countries' skepticism about its reliability as an insurer. Will it merely seek to run the same kind of protection racket as the United States—or a worse one?

It is a tragic and destructive irony that, in the name of national security, the United States is now injuring the allies that have contributed the most to its economic well-being while leaving China far less disadvantaged. That is why Trump officials' belief that these close allies will simply accept the “rebalancing” imposed on them is profoundly mistaken. These governments will be pragmatic, but that pragmatism will take a very different form than the Trump administration desires. For decades, they gave Washington the benefit of the doubt. Now they are losing their illusions and will offer less to the United States, not more.

There will be opportunities in this new landscape. But they will involve the U.S. economy less and less. The most promising possibility is that European and Asian countries, excluding China, will join to create a new space of relative stability. The EU and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, an alliance composed of mostly Indo-Pacific states, are already exploring new forms of cooperation. In June, the president of the European Com-

mission, Ursula von der Leyen, described these negotiations as an effort at “redesigning” the World Trade Organization to “show the world that free trade with a large number of countries is possible on a rules-based foundation.” These economies could also do more to guarantee mutual investment rights, create binding mechanisms for settling trade disputes, and pool their liquidity to respond to financial shocks. They could seek to maintain the function and influence of the International Monetary Fund, the World Bank, and the World Trade Organization, protecting these institutions from paralysis as China or the United States seek to veto necessary initiatives.

If they want to sustain some fraction of the global economy’s prior openness and stability, however, these countries will have to build blocs with a selective membership rather than pursue a strictly multilateral approach. This would be a poor substitute for the system over which the United States had presided. But it would be much better than simply accepting the economy that the Trump administration is now creating.

As for the United States itself, no matter how many bilateral trade deals it brokers, no matter how many economies appear—at first—to align with Washington at a high cost, the country will find itself increasingly bypassed in commerce and technology and less able to influence other countries’ investment and security decisions. The U.S. supply chains that the Trump administration claims to want to secure will become less reliable—inherently costlier, less diversified in their sourcing, and subject to more risk from U.S.-specific shocks. Leaving behind much of the developing world will not only increase migrant flows and trigger public health crises; it will prevent the United States from tapping potential market opportunities. The Trump administration’s moves to drive away foreign investment will erode U.S. living standards and the U.S. military’s capacity. European, Asian, and even Brazilian and Turkish brands will likely gain market share at American companies’ expense, while technical standards for products such as automobiles and financial services technologies will increasingly diverge from U.S. norms. Many of these phenomena will be self-reinforcing, making them hard to reverse even after Trump leaves the White House.

As the song goes, you don’t know what you’ve got till it’s gone. The Trump administration has paved paradise and put up a casino, with what will soon be an empty parking lot. 🎰

The Real China Model

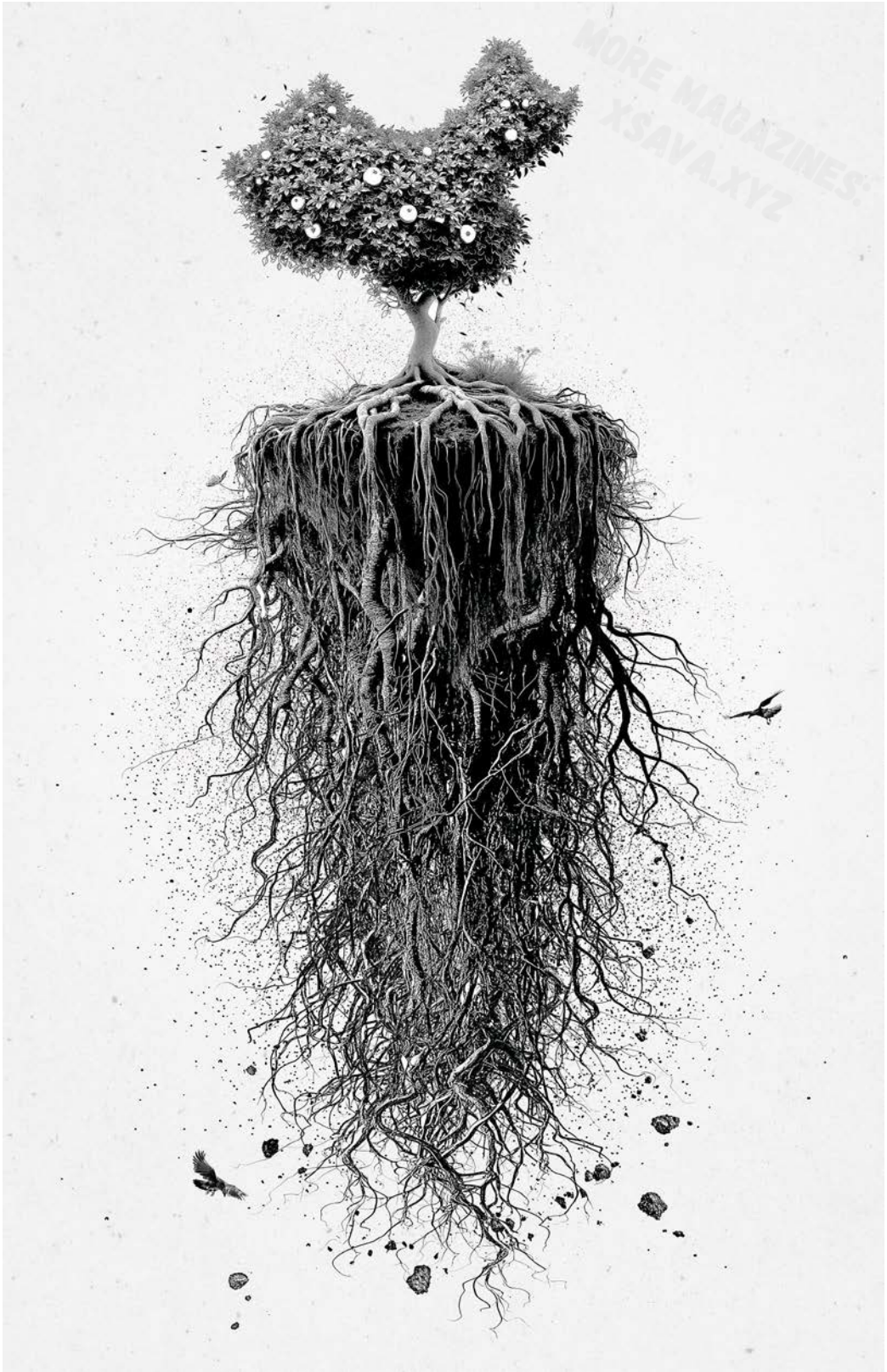
Beijing's Enduring Formula for Wealth and Power

DAN WANG AND ARTHUR KROEBER

A decade ago, planners in Beijing unveiled Made in China 2025, an ambitious scheme to take leadership of the industries of the future. The plan identified ten sectors for investment, including energy, semiconductors, industrial automation, and high-tech materials. It aimed to upgrade China's manufacturing in these sectors and others, reduce the country's dependence on imports and foreign firms, and improve the competitiveness of Chinese companies in global markets. The overarching goal was to transform China into a technological leader and turn China's national champion firms into global ones. The government backed this vision with enormous financial support, spending one to two percent of GDP each year on direct and indirect subsidies, cheap credit, and tax breaks.

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China has been wildly successful in these efforts. It not only leads the world in electric vehicles and clean technology power generation; it is also dominant in drones, industrial automation, and other electronics products. Its lock on rare-earth magnets produced a quick trade deal with U.S. President Donald Trump. Chinese firms are on track to master the more sophisticated technological goods produced by the United States, Europe, and other parts of Asia.

And yet China's model still has many skeptics. Lavish funding, they point out, has led to waste and corruption. It has created industries in which dozens of competitors manufacture similar products and struggle to make a profit. The resulting deflation makes companies wary of hiring new staff or raising wages, leading to lower consumer confidence and weaker growth. China's economy, which once looked poised to overtake the United States' as the world's biggest, is mired in a slowdown and may never match the American one in total output.

These problems are not trivial. But it is a serious error to think they are big enough to derail China's technological momentum. Beijing's industrial policy succeeded not simply because planners picked the right sectors and subsidized them. It worked because the state built out the deep infrastructure needed to become a resilient technological powerhouse. It created an innovation ecosystem centered on powerful electricity and digital networks, and it established a massive workforce with advanced manufacturing knowledge. Call it an all-of-the-above technology strategy. This approach has enabled China to develop new technologies and scale them up faster than any other country. Its model is unlikely to be pushed off course by sluggish economic growth or U.S. sanctions.

China's industrial and technological strength is now a permanent feature of the world economy. The United States should compete with China to keep its overall technological leadership and sustain the industries needed for broad-based prosperity and national security. But American policymakers must recognize that their current playbook—export controls, tariffs, and scattershot industrial policy—is ineffective. Simply trying to slow China down will not work. Washington must instead focus on building up its own systems of industrial strength by making patient, long-term investments not just in select, key industries but in energy, information, and transportation infrastructure. If it doesn't, the United States will face more deindustrialization and lose its technological leadership.

BECOMING STRONG

The notoriously difficult Nürburgring racetrack is nicknamed the Green Hell for its twisting, 13-mile course through the mountains in western Germany. It is a track that tests even the steeliest drivers and the most advanced vehicles. The cars that have typically performed best are designed by celebrated German companies such as BMW, Porsche, and Mercedes, or by long-established manufacturers in Italy, Japan, and South Korea.

But in June 2025, the course saw a new speed record for electric vehicles, and the car that set it was not made by the typical champions. It was set by Xiaomi, a Chinese company better known for its moderately priced smartphones and rice cookers. It produced its first car only a year before. But Xiaomi nonetheless made the third-fastest car—electric or otherwise—ever to race through the Green Hell.

Xiaomi's triumph on the racetrack was a symbol of China's surprisingly swift rise to clean energy dominance. China made nearly three-quarters of the world's electric vehicles in 2024 and accounted for 40 percent of global EV exports. It has a lock on the solar supply chain. Chinese companies make most of the world's batteries, both for EVs and for other uses. And the country produces 60 percent of the electrolyzers used to extract hydrogen from water, which is the most effective way to produce clean hydrogen-based power.

The standard explanation for China's technological success is that the central government targeted various industries for support; provided hundreds of billions of dollars in subsidies, tax breaks, and low-interest loans to get these sectors going; and helped Chinese firms steal or copy technology from other states. This is part of what took place. But that story misses the bigger picture. China succeeded not only because it subsidized particular industries but also because it invested in the deep infrastructure—underlying physical systems and human expertise—that enables innovation and efficient production.

Some of this infrastructure consists of transportation systems, such as roads, railways, and ports. Over the last 30 years, China has built a national expressway network twice the length of the American interstate system, a high-speed train network with more miles of track than the rest of the world combined, and a formidable network of ports, the largest of which, in Shanghai, moves more cargo in some years than all U.S. ports put together.

But if China had stopped there, it would not have reached today's technological heights. Other infrastructure systems have proved crucial. One is China's digital network. In its infancy, the Internet was widely thought to corrode authoritarian regimes because it removed their monopoly on information and made it easier for ordinary people to organize across large distances. In 2000, U.S. President Bill Clinton declared that controlling the Internet was like "trying to nail Jell-O to a wall." But China's leadership concluded the opposite. They bet that high-quality data infrastructure would strengthen the government by enabling it to better monitor and manage public opinion, as well as track people's movements, while hugely benefiting the country's industrial sectors and creating a high-tech ecosystem.

So China nailed Jell-O to the wall. It built a domestic Internet that rapidly connected virtually the entire population while blocking what its people could see from abroad. The gamble paid off. Thanks to Beijing's early and aggressive promotion of mobile phones, Chinese firms helped pioneer the mobile Internet. Top platforms such as ByteDance, Alibaba, and Tencent became world-class innovators. Huawei became the world's leading producer of 5G equipment. The Chinese population now uses smartphones constantly, and the Communist Party remains very much in charge.

IT'S ELECTRIC

The next key infrastructure system behind China's prowess is its electric grid. Over the past quarter century, China has led the world in building power plants, adding the equivalent of the United Kingdom's total supply every year. It now generates more electricity each year than the United States and the European Union combined. The country has invested heavily in ultrahigh voltage transmission lines, which can carry electricity efficiently over long distances, and in all types of battery storage. This abundant power supply has enabled the rapid growth of electricity-reliant transport systems, namely high-speed rail and electric vehicles.

China has overcome the obstacles that long prevented electricity from becoming the world's main energy and supplanting the direct combustion of fossil fuels: that it was hard to move, hard to store, and ineffective at fueling transport. As a result, China is well on its way to becoming the world's first economy powered mainly by electricity. Electricity accounts for 21 percent of energy use in the world as a whole and 22 percent of energy use in the United States. In China, electricity is nearly 30 percent

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of energy use, more than in any other large country except Japan. And this share is growing fast: about six percent a year, compared with 2.6 percent for the world as a whole and 0.6 percent for the United States.

China's electrification did not arise out of a master plan. Instead, it was the product of technocratic responses to discrete issues such as power shortages in industrial zones and the need to free up rail capacity for purposes other than moving coal. Now, however, rapid electrification serves a clear strategic purpose. It is a motor of industrial innovation—"powering the future," as Damien Ma and Lizzi Lee

Simply trying to slow China down will not work.

put it in a July *Foreign Affairs* article. And the government is keenly aware that abundant, cheap electricity provides the country with a crucial edge in the power-intensive industries of the future, most obviously artificial intelligence. Beijing thus strives to ensure that its

electricity system remains the biggest and best in the world.

China's most subtle piece of deep infrastructure is its more than 70-million-person industrial workforce—the largest in the world. Thanks to the country's intense buildup of complex manufacturing supply chains, Chinese factory managers, engineers, and workers have decades of "process knowledge"—hands-on knowledge, gained from experience—about how to make things and how to make them better. This process knowledge enables iterative innovation, or constantly tweaking products so that they can be made more efficiently, at better quality, and with lower costs. It also enables scaling: Chinese factories can rally a large, experienced workforce behind making almost any new product. Finally, and most important, process knowledge allows China to create entire new industries. A factory worker in Shenzhen might assemble iPhones one year and Huawei Mate phones the next and then move on to build drones for DJI or electric vehicle batteries for CATL.

Process knowledge in the Chinese workforce may be Beijing's greatest economic asset. But it is hard to quantify. That is one reason why the rest of the world has persistently underestimated China's capabilities. Some analysts believe that China is the country that assembles most of the world's smartphones and other electronics because its workforce costs are low. In reality, the country remains the world's leader because its workforce has proved its worth in sophistication, scale, and speed.

Analysts also miss the red-hot ambition of China's entrepreneurs. The country is full of businesspeople with the optimism, the daring, or the

foolishness to try disrupting sectors. Xiaomi's legendary founder, Lei Jun, gambled on EVs in 2021, announcing that his company, then valued at \$80 billion, would invest \$10 billion in them and that it would be his "last major entrepreneurial project." On the German racetrack, it paid off. Lei was able to plug into an electronics ecosystem, battery partners, and an experienced workforce to make high-speed EVs in just a few years' time.

To see why American companies often struggle to do the same, compare Xiaomi's experience with that of Apple. In 2014, the computing giant considered developing electric vehicles. It was hardly a crazy idea. Apple had a market capitalization of \$600 billion and a cash hoard of \$40 billion, giving it far deeper pockets than Xiaomi. By conventional measures, it also had greater technological sophistication. But the United States does not have the energy system or the manufacturing capacity of China, so there was no easy infrastructure for Apple to tap into. As a result, in 2024, the company's board pulled the plug on a decade of EV development. That same year, Xiaomi expanded its manufacturing capacity and repeatedly raised its delivery target. Meanwhile, the American EV champion, Tesla, faces declining sales in all of its top markets, including China. Chinese buyers now believe that domestic brands are more innovative than Tesla, and more in tune with fast-changing consumer tastes.

ADVERSE REACTION

It is a mistake to underestimate China. But the country does face serious economic challenges, many of which arise at least in part from the very industrial policies that have led to its triumphs. China's technocrats have steered resources not just into high-productivity infrastructure but also into state-owned enterprises that contribute little to the country's vibrant tech ecosystem, rack up huge debts, and drag down the economy's efficiency. The politically driven constraints on some of the country's most creative entrepreneurs, such as Jack Ma, the founder of Alibaba, and Zhang Yiming, the co-founder of ByteDance—who were humiliated when Beijing expanded its power over the consumer Internet—have chilled private-sector confidence.

Unregulated subsidies, meanwhile, have led to widespread graft. A prime example is China's semiconductor industry, which has received over \$100 billion in direct state industrial policy support since 2014. Some of the projects funded by this money were outright frauds. Other projects were legitimate, but both businesspeople and government officials stole from them. More than a dozen senior chip industry figures

have been jailed for corruption since 2022, including the head of Tsinghua Unigroup (which operates several important chipmakers) and the chief of China's national integrated circuit fund. Two sitting ministers of industry and information technology were fired for graft.

China's subsidies may also, at times, suppress innovation. Generous manufacturing spending helps promote the tech ecosystem, but it also enables less efficient firms to stay in business far longer than they would in a more market-driven economy. That lowers profits for everyone, as companies continually cut their prices to maintain market share. This, in turn, means that manufacturing companies cannot spend as much on research and development. In fact, they need to be cautious about hiring new staff or raising wages.

The solar industry is a case in point. Owning the solar supply chain is a strategic triumph for the state, but companies producing solar modules mostly sell undifferentiated products, fighting for minuscule profits while cutting prices to the bone. The same is true for manufacturers of EVs, smartphones, and many other products, with too many companies making similar products at paper-thin margins. China's tech sectors are global success stories, but the companies in them are often miserable.

If China is too generous with tech and manufacturing businesses, then it is not generous enough with those providing services. Beijing chronically overregulates service sectors, cracking down on Internet companies that the government sees as engaging in monopolistic practices or threatening political or social instability. It tightly controls finance, health care, and education. As a result, job growth in these sectors has been weak, which means job growth in China as a whole has greatly suffered. Even in this industry-centric country, services employ about 60 percent of the urban workforce and have accounted for all net job creation in the past decade. With jobs hard to come by, wages rising little or at all, and the price of houses—which are most Chinese people's main asset—falling, Chinese consumers have become reluctant to spend. Private businesses, seeing weak demand, have in turn become even more reluctant to hire or raise wages.

China's current model, then, virtually guarantees slower economic growth. Thanks to the vicious circle Beijing has created, the economy now routinely struggles to reach its annual growth target of five percent and is constantly battling deflation. Meanwhile, because domestic demand is sluggish, more and more of the output of China's prodigiously productive manufacturing sector will need to be exported, leading to ever

larger trade surpluses. China's trade surplus is already almost a trillion dollars, more than double the figure of just five years earlier.

The risks for Beijing are obvious. Slower growth means that the economy could become less dynamic, and tech firms could lose the ability or drive to keep innovating. Ever-rising trade surpluses could trigger much more severe and coordinated protectionism from the rest of the world, with dozens of countries joining the United States in erecting tariff barriers to Chinese imports.

But Beijing is likely to overcome these risks, just as it has overcome many challenges in the past. It has begun to recognize that subsidies are too high and has started withdrawing them. Smaller and less efficient players will exit the market. Consolidation is already visible in the electric vehicle sector, in which the number of companies has fallen from 57 to 49 since 2022. A third of EV producers now sell at least 10,000 cars a month, up from less than a quarter of producers three years ago. As for protectionism, most countries will find that there are simply no cost-effective alternatives to the products China exports. There are also ways to evade tariff barriers, such as by shipping goods through third countries or by setting up assembly plants in other states (as the Chinese car manufacturer BYD is doing in Brazil and Hungary).

Chinese officials, for their part, seem to believe that the costs of lower growth, deflation, and irritated trade partners are worth paying. "We must recognize the fundamental importance of the real economy . . . and never deindustrialize," said Chinese leader Xi Jinping in 2020, a year in which China's manufacturers met the challenge of the COVID-19 pandemic by surging the production of medical equipment and consumer goods. The message was clear: Beijing's main goal is not fast growth but self-sufficiency and technological progress.

CAN'T STOP, WON'T STOP

Washington has not stood idly by as China's tech and manufacturing sectors progress. Alarmed by the ambitions of Made in China 2025, the first Trump administration breathed life into some of the most moribund offices inside the Department of Commerce, summoning a powerful bureaucratic apparatus to choke off China's access to critical materials. U.S. officials realized that China was highly dependent on Western technology inputs, such as leading-edge semiconductors and semiconductor manufacturing equipment. They thus gambled that a full blockade of these technologies would severely slow China's technological engine. This was

a bipartisan proposition: when U.S. President Joe Biden came into office, in 2021, he maintained his predecessor's restrictions. In fact, the Biden administration tightened export controls on advanced chips, especially those essential for artificial intelligence, and on semiconductor equipment.

And yet the success of these controls has been mixed at best. In 2018, two big Chinese tech companies, ZTE and Fujian Jinhua, nearly collapsed after being cut off from American technology. But more capable businesses, aided by Washington lawyers and lobbyists, have been able to bounce back. (Trump recently lifted restrictions on leading-edge AI chips made by Nvidia, allowing the company to again sell its products to China.) Huawei was clearly battered after the Commerce Department sanctioned it in 2019. But by 2025, the firm announced that its previous year's revenues had recovered to 2019 levels. It is still recognizably the same company, one that excels at making 5G equipment and handsets. Except now, it is also one of China's leading semiconductor innovators, after it invested billions in replacing American chips.

Other companies have done an even better job of weathering U.S. restrictions. SMIC, one of China's most important chip foundries, has doubled its revenues since it was sanctioned in 2020. It still lags far behind the industry-leading TSMC in profitability, but it has made certain technological breakthroughs, learning to produce seven-nanometer chips—a technological breakthrough that was considered unlikely after its sanctions. Similarly, restrictions on AI technology did little to prevent the rise of DeepSeek, which has produced an AI reasoning model matched by only a few other firms, all in Silicon Valley.

DeepSeek's success is not hard to understand. Chinese AI firms may not have access to the same leading-edge chips that American ones do, but they do have plentiful access to excellent talent, mature chips, as well as pools of data. They also have a near-unlimited supply of cheap electricity—something their U.S. competitors lack. As a result, according to global technical benchmarks, Chinese large language models are, at most, six months behind American leaders, a gap that is steadily shrinking. Far from blocking China's progress, U.S. tech restrictions have triggered a Sputnik moment in China. Its companies are bigger, meaner, and significantly less dependent on U.S. companies than they were just a decade earlier.

Some American officials realize that the United States cannot win just by attacking China's industries. The Biden administration's economic planners, for instance, created an industrial policy designed to help the United States advance its own strategic sectors. The country passed the

CHIPS Act, which beefed up semiconductor production, and the Inflation Reduction Act, which subsidized clean technologies. But despite earmarking hundreds of billions of dollars, these endeavors have mostly foundered.

The reason for these failures is simple. The United States has not built up enough deep infrastructure of its own. Toward the beginning of his term, Biden unveiled an ambitious proposal to deliver Internet service to almost every American. But this “Internet for All” plan had not connected anyone before he left office. There is still no national network of EV charging stations, even though Congress earmarked billions to create one. And Washington has failed to dismantle the bureaucratic and regulatory barriers to building electric transmission systems, which make it hard for energy companies to take advantage of the tax credits the Inflation Reduction Act created for solar and wind projects.

Now, those credits are poised to disappear. Trump’s July budget reconciliation bill phases out his predecessor’s solar and wind subsidies for most projects that haven’t begun by the end of 2026. The CHIPS Act remains on the books, but the president has derided the law as “horrible” and “ridiculous.” Trump’s tariffs, meanwhile, have caused deep uncertainty among manufacturers, who are pausing investments while scrambling to maintain their supply chains. The White House claims that the tariffs will force manufacturers to make their goods on American soil once the restrictions take full effect. But the administration’s analysis is faulty. Manufacturers depend on imports for many of their inputs, and they have proved reluctant to make big investment decisions based on Trump’s wavering pronouncements. In fact, the country shed over 10,000 manufacturing jobs between April and July alone, just after Trump announced his plan to impose high tariffs on virtually every country.

Trump, of course, is hardly unique in his failure to deliver. American politicians love to celebrate whenever a new mine or semiconductor facility opens. But the U.S. industrial sector continues to shrink amid product delays, layoffs, and falling production quality. Real manufacturing output, which had risen steadily until the 2008 financial crisis, plunged then and has never recovered. This shriveling is happening even in defense manufacturing. Despite an influx of cash, almost every class of U.S. naval ship under construction is behind schedule, some by as much as three years. Producers of artillery shells are only slowly ramping up manufacturing, even though Washington has depleted its stockpiles to help Ukraine. And U.S. efforts to wean its military off Chinese rare-earth minerals have faltered.

The United States does retain its advantage over China in several critical areas: software, biotech, and AI, as well as in its university-driven innovation ecosystem. But these institutions face an uncertain future. Since returning to office, Trump has set about defunding scientific research and depriving the country of skilled labor. Government agencies are now scrutinizing top universities, including Harvard and Columbia, and yanking government grants and threatening to revoke universities' tax-exempt status over exaggerated charges of anti-Semitism. The White House has slashed funding for the National Science Foundation and the National Institutes of Health. Meanwhile, Trump's hostility toward immigrants has driven researchers who would come to the United States to look for positions at companies and universities elsewhere. Aggressive deportations are hurting America's construction industry. The country simply has not set up its innovation ecosystem well for the years ahead.

BACK TO BASICS

The United States can, and should, reverse Trump's spending cuts and immigration restrictions as soon as is feasible. But competing effectively against China requires more than just removing self-imposed restraints. Washington's failings extend across administrations for a reason: American officials, Democrats and Republicans alike, have not taken China's competence seriously. "China doesn't innovate—it steals," wrote Arkansas Senator Tom Cotton on social media in April, epitomizing how Americans trivialize Chinese accomplishments. Too many U.S. leaders continue to believe that a more exquisite export control regime will halt China's technological momentum. They are sending lawyers into an engineering fight. They need to realize that no matter how hard the United States squeezes, it will not break China's industrial and technological system.

What Washington should do is strengthen its own capacity. That means starting the hard work of building up the United States' deep infrastructure. Washington should not try to replicate Beijing's massive and often wasteful investments in all systems. But it should do better than Biden's ad-hoc, sector-by-sector approach. And it must abandon Trump's strategy of hoping that the tariff cudgel will force a reshoring of industry, and his focus on old heavy industries such as steel.

Instead, policymakers must start to think in ecosystem terms, as China has. The United States has long-standing strengths in entrepreneurship and finance, so state-led investments in modern deep infrastructure are likely to have big payoffs, just as investments in railroads and highways

did in the nineteenth and twentieth centuries. Large-scale infrastructure projects can stimulate demand for different technologies and create the process knowledge needed to build them, which are crucial first steps in rebuilding the manufacturing base. A top priority should be building a bigger and better electricity system that makes use of nuclear power, natural gas, and renewable energy sources. To maximize its use of renewables, the United States should invest in building more battery storage and high-voltage transmission lines.

The United States will also need to find ways to reduce cost structures throughout its industries. Because it is a rich country with high wages and labor and environmental standards, it will never be able to compete with China or India in terms of availability of low-cost labor, and it should not try. But to be serious about rebuilding industry, Washington must display a commitment to making its markets attractive for capital-intensive sectors. Eliminating Trump's ruinous tariffs, which will make American manufacturing prohibitively expensive, is essential, as is providing abundant, cheap energy. Yet so is permitting reform that eliminates the excessive regulatory costs of new construction, ample government funding for basic research and development, and liberal immigration policies that enable companies to source the best talent from anywhere in the world. The last is not strictly a cost measure, but it is essential to rebuilding U.S. process knowledge. Much of that knowledge now exists abroad, and the United States must be willing to import it.

Above all, Washington should not underestimate what it is up against. Beijing has made achieving technological supremacy a top political priority. The subsidies it used to push technological progress produced plenty of waste, but that was a side-effect of achieving leadership in the industries of the future. To compete, the United States must also make a commitment to leading in these industries, and it must be more willing to accept mistakes and some waste as the price of success.

China's model has worked because its policymakers have gotten a lot of things right and have given Chinese entrepreneurs the conditions for success. The country may have problems, but it will continue to be effective. And the longer it succeeds, the more the United States and its allies will deindustrialize under pressure from Chinese firms in energy, industrial goods, and perhaps even artificial intelligence. If the United States is to compete effectively, its policymakers must spend less time worrying about how to weaken their rival and more time figuring out how to make their country the best and most vigorous version of itself. 🌐



What We Do Matters - Now More Than Ever

By Tara Hofmann, President & CEO of AFS-USA, Vice-Chair of the Alliance for International Exchange

In a time of growing division and uncertainty, the work of building understanding across cultures and communities can feel like swimming upstream. But I'm convinced—perhaps more than ever—that what we do through international exchange isn't just meaningful. It's necessary.

Each year, AFS-USA brings hundreds of high school exchange students from around the world to live with American families and attend local schools in communities big and small. **These aren't policy initiatives or political programs. These are people-to-people experiences.** A teenager from Indonesia joins the marching band in Missouri. A young woman from Germany debates in a civics class in Arizona. A family in Michigan learns to cook Brazilian feijoada.

It's in these quiet, unheralded moments that the world gets a little smaller and a little kinder.

Too often, discussions about exchange focus on economic impact or foreign policy return on investment. And while those outcomes are real, they're not the heart of the story. The real impact is in the relationships formed—between students and host siblings, teachers and volunteers, neighbors and new friends. It's in the ways these encounters change how we see each other—and how we see ourselves.

Volunteerism is the backbone of this work. Our host families, local representatives, and community leaders step up not because they have to, but because they believe in young people and in a more connected world. In a moment when public trust feels frayed, their

quiet, consistent commitment is a profound source of reassurance and hope.

We don't often call this diplomacy. But it is.

I believe the most powerful ambassadors are not the ones who stand behind podiums but the ones who sit across from each other at dinner tables. They are the students who return home with broader perspectives and deeper compassion. They are the American families who open their homes and, in doing so, open their hearts to a world they may never have otherwise known.

In these challenging times, I think we all long for voices of reason—voices that remind us we are still capable of empathy, connection, and community.

Student exchange does that. Not with sweeping proclamations or political fanfare, but with daily, personal acts of understanding.

So yes, what we do matters. What you do matters.

And perhaps, in moments like this, it matters most of all.



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After the Trade War

Remaking Rules From the Ruins of the Rules-Based System

MICHAEL B. G. FROMAN

The global trading system as we have known it is dead. The World Trade Organization has effectively ceased to function, as it fails to negotiate, monitor, or enforce member commitments. Fundamental principles such as “most favored nation” status, or MFN, which requires WTO members to treat one another equally except when they have negotiated free-trade agreements, are being jettisoned as Washington threatens or imposes tariffs ranging from ten to more than 50 percent on dozens of countries. Both the “America first” trade strategy and China’s analogous “dual circulation” and Made in China 2025 strategies reflect a flagrant disregard for any semblance of a rules-based system and a clear preference for a power-based system to take its place. Even if pieces of the old order manage to survive, the damage is done: there is no going back.

MICHAEL B. G. FROMAN is President of the Council on Foreign Relations. He served as U.S. Trade Representative from 2013 to 2017 and Deputy National Security Adviser for International Economic Affairs from 2009 to 2013.

Many will celebrate the end of an era. Indeed, although U.S. President Donald Trump's aggressive use of tariffs and disregard for past agreements have put the final nails in the coffin, the turn against global trade has been embraced by both Democrats and Republicans in Washington over the past several years. But before critics revel in the death of the rules-based trading system, they should consider the costs and tradeoffs that come with its dismantlement—and think carefully about the elements that should be rebuilt, even if in altered forms, to avert considerably worse outcomes for the United States and the global economy.

If Washington continues on its current course—defined by unilateralism, transactionalism, and mercantilism—the consequences will be grim, especially as Beijing continues on its own damaging course of subsidized excess capacity, predatory export policies, and economic coercion. The risk of the United States and China playing by their own rules, with power the only real constraint, is contagion: if the two largest economies in the world operate outside the rules-based system, other countries will increasingly do the same, leading to rising uncertainty, drags on productivity, and lower overall growth.

Yet clinging to the old system and pining for its restoration would be deluded and futile. Nostalgia is not a strategy; nor is hope. Looking beyond the existing structures does not mean simply accepting a Hobbesian state of nature. The challenge is to create a system of rules outside the rules-based system of old.

That will require starting over. The best option for moving forward is to craft a system made up of coalitions of the like-minded, which together would constitute a network of open plurilateral relationships—smaller and more flexible than the multilateral trading system. Some coalitions would be mechanisms for trade integration and liberalization. Others might serve to secure supply chains or even to restrict trade in the service of national security. Some countries would be members of multiple coalitions with varied purposes, and coalitions would likely have overlapping memberships and variable geometry. From a purely economic point of view, this system would be suboptimal and less efficient than the global trading system was. But it might well be the most politically sustainable outcome that could—crucially—prevent unilateralism from spinning out of control. It would, in short, allow for a global economy shaped by rules even without a global rules-based system.

PRESENT AT THE DESTRUCTION

The global trading system developed as one part of the multilateral economic structure that the United States led in building, starting during World War II and continuing into the early years of this century. Along with institutions such as the International Monetary Fund and the World Bank, Washington established first the General Agreement on Tariffs and Trade—the GATT, which laid out a set of rules, such as MFN, and created a process by which countries negotiated market-opening commitments—and then, in 1995, the WTO. The 1994 Uruguay Round agreement, which established the WTO, introduced a range of new trade disciplines and a binding dispute-settlement procedure, marking a major step forward in strengthening the multilateral rules-based system. At its founding, the WTO had 76 member countries; today, it has more than 160, which account for 98 percent of global trade.

In the wake of the Cold War, U.S. policymakers hoped that the rules-based trading system that had taken shape in much of the noncommunist world in the preceding decades would expand to encompass former U.S. adversaries, such as Russia, and emerging markets, such as China. The rules would enhance stability, promote openness and integration, and facilitate the peaceful resolution of economic disputes, to the United States' economic and strategic benefit. Yet even before this system was fully in place, opposition to it emerged, beginning in the early 1990s with the fierce debate over the North American Free Trade Agreement (NAFTA). The first WTO ministerial meeting held in the United States, in Seattle in 1999, was met with massive, headline-grabbing protests.

Trade policy has gotten both more credit and more blame than it deserves in the economic debates of recent decades. Critics of the system tend to conflate the effects of globalization with those of trade policy. Globalization itself had less to do with trade agreements than with technology—particularly the invention of the shipping container and the spread of broadband. From the 1960s on, containerization drastically reduced the cost of shipping goods by sea and land, and there were improvements in the efficiency of air freight, as well. A 2023 National Bureau of Economic Research working paper by Sharat Ganapati and Woan Foong Wong found that from 1970 to 2014, the cost of transporting goods by weight fell between 33 and 39 percent and the cost of transporting goods by value fell between 48 and 62 percent. All of this made the development of global supply chains for goods increasingly

attractive. The same was true for trade in services with the spread of computers and Internet access. Seamless connectivity meant that everything from customer and back-office processing to coding and data analytics could be done almost anywhere on earth.

The decline in U.S. manufacturing employment—one of the primary harms in the United States attributed to trade—also flowed mainly from technological change. Researchers at Ball State University have calculated that “almost 88 percent of job losses in manufacturing [between 2000 and 2010] can be attributable to productivity growth, and the long-term changes to manufacturing employment are mostly linked to the productivity of American factories.” Trade, they found, accounted for just 13.4 percent of job loss.

Indeed, that decline in manufacturing employment, which occurred across advanced industrialized countries, started well before Washington signed any major trade agreements. The percentage of U.S. employment in manufacturing shrank by around two to five points per decade from the 1970s through the first decade of this century, according to the U.S. Bureau of Labor Statistics and the Federal Reserve Bank of St. Louis. Germany, broadly considered a manufacturing powerhouse, experienced a similar decline. China’s emergence as the manufacturing floor for the global economy accelerated this trend, but it did not cause it entirely on its own. In developed economies with robust manufacturing sectors, the secular decline of manufacturing employment long predates the era of peak globalization.

THE CHINA RECKONING

Still, a key driver of today’s wariness of trade is that the rules of the rules-based system did not sufficiently anticipate the challenge of China. The emergence of China as an export-driven economic powerhouse resulted in what has become known as the “China shock”—the rapid closure of factories in particular communities in the United States.

It is true that the multilateral trading system suffered from design flaws that proved to be particularly salient with the rise of China—and consequently planted the seeds of the system’s demise. These included the weakness of certain restrictions on state subsidization and the non-market behavior of state-owned enterprises, as well as the protection of intellectual property rights; the difficulty of graduating members from developing-country status, which allowed them more lenient treatment; and a consensus, one-country-veto decision-making process that made

reform all but impossible. At the time of China's accession to the WTO, in 2001, there was reason to believe that Beijing was on an irreversible path toward market reform and liberalization. Such hopes rested not just on the rhetoric of China's leaders at the time but also on the painful actions they took to restructure significant portions of the economy. Yet hopes were dashed as reform stalled under President Hu Jintao and then in some ways went into reverse under President Xi Jinping.

WTO rules on intellectual property, subsidies, and state-owned enterprises proved insufficient in the face of the emergence and integration of a China that reformed its economic approach less than expected. And the challenge was not just that China played by its own set of rules; it was also the problem of scale. China's surplus of manufactured goods—which approached \$1 trillion last year—far exceeds those of earlier manufacturing giants, such as Germany and Japan. By the UN Industrial Development Organization's estimate, China is well on its way to producing 45 percent of global industrial output by the end of the decade.

Such industrial overcapacity, sustained by domestic preferences, state-directed subsidies, and market protections, bears a considerable share of the blame for the current situation. As China's economic strategy increasingly challenged the integrity of a trading system designed to promote integration and interdependence, Washington grew skeptical of the system itself. In 2015, the Obama administration called it quits on the Doha Round of global trade negotiations, concerned that the resulting agreement would have locked in preferential treatment for China at the expense of the United States and the rest of the world. In his first term, Trump showed broad disregard for the multilateral system, preferring to revert to the pre-WTO period in which the United States, as the largest economy in the world, wielded its power unilaterally. And the Biden administration did nothing meaningful to reform the WTO.

Today, the three major functions of the WTO have ground to a halt. As a negotiating forum, it has in recent years managed to conclude only marginal multilateral agreements, such as one on trade facilitation that expedites the entry of goods at customs. As a body for monitoring members' trade practices, it has had no recourse when large economies simply ignore their obligations to report policies. And as a dispute-settlement organization, it has been hobbled by disagreements over the mandate and functioning of its appellate body. In response to such disagreements, Washington, across several administrations, objected first to the reappointment of certain members of the body



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and ultimately to the appointment of any new members, effectively preventing any meaningful effort to settle disputes.

LOSSES AND GAINS

Self-flagellation about the failures of the trading system has practically become the price of entry to discussions about the global economy's future. The standard account of those has become the starting point for a supposed "new Washington consensus." Yet those failures should be weighed against the benefits, for it is all too easy to take the international economic system and the institutions that maintain it for granted.

For one thing, the global trading system has played a central role in lifting as many as a billion people out of poverty. The World Bank has concluded that "trade has been a powerful driver of economic development and poverty reduction." Between 1990 and 2017, global GDP nearly tripled, developing countries' share of exports increased from 16 to 30 percent, and global poverty plummeted from 36 to nine percent.

Another common fallacy in today's debate about trade is that it has benefited only other countries, not the United States. The clearest benefit has been for American consumers, by giving them access to more, and more varied, goods at lower prices. Research from the Federal Reserve Bank of Minneapolis found that a ten percent reduction in U.S. import costs brings welfare gains to both high- and low-income households. The greatest benefits, however, go to low-income households, with welfare gains of the poorest households 4.5 times as high as those of the richest. The economist Michael Waugh, who wrote the report, noted that "in layman's terms, a dollar price reduction is of higher value to the poor than the rich."

Trade agreements also made it easier to export U.S.-made products and services by eliminating both tariff and nontariff barriers in other markets (which, as Trump himself has noted, have generally been higher than barriers in the U.S. market). They thereby reduced the impetus to move production abroad to serve those markets, where nearly all global consumers live, and supported jobs that on average pay more than nonexport-related jobs in the United States. Since the inception of the WTO, exports of goods have grown more than 150 percent, adjusted for inflation, according to data from the U.S. Bureau of Economic Analysis. (Imports grew more than 250 percent adjusted for inflation over this period.) A U.S. Census Bureau report found, based on data from 1992 to 2019, that firms engaged in trade "exhibit higher net job creation

rates than non-traders controlling for firm size, age, and sector.” In an analysis for the Peterson Institute for International Economics, Gary Hufbauer and Megan Hogan calculated that U.S. GDP in 2022 would have been \$2.6 trillion lower without gains from post-World War II trade—averaging to gains of \$19,500 per American household.

Trade policy has also worked to level the playing field for American workers by pressing other countries to adopt better environmental, labor, intellectual property, regulatory, and anticorruption practices. The Trans-Pacific Partnership, for example, would have not only opened markets long closed to U.S. products, such as Japan, but also introduced enforceable standards on labor rights, environmental protection, and subsidization of state-owned enterprises in emerging markets, such as Malaysia and Vietnam—key ingredients of “fair trade.” In effect, the TPP dangled a reduction of already low U.S. tariffs as an incentive to get other countries to adopt policies consistent with U.S. interests and values while creating a U.S.-led alternative to Chinese economic power. (Before the first Trump administration, U.S. tariffs were relatively low, with the average applied tariff around three percent and significant restrictions in place in few sectors, such as shoes, clothing, sugar, dairy, and trucks.)

Yet such arguments have always been a tough sell politically, since the benefits of trade liberalization are broadly shared but largely invisible. No one walks out of a Walmart and exclaims, “Thank goodness for the WTO!” Meanwhile, the costs of trade are acutely felt by a small number of workers in specific industries. Globalization could be blamed for introducing competition from other countries with lower labor costs, putting downward pressure on manufacturing wages in the United States and creating incentives to move production abroad.

The China shock was an especially dramatic demonstration of this dynamic—less because of its overall scale than because of how concentrated its losses were in particular communities. The economists David Autor, David Dorn, and Gordon Hanson concluded that between 1999 and 2011, Chinese imports resulted in the loss of some two million jobs, including one million manufacturing jobs. That loss is relatively modest in the context of the overall U.S. economy: every year, some 50 million American workers experience “job separations,” including resignations

The risk of the United States and China playing by their own rules is contagion.

and layoffs. Yet these losses were geographically concentrated, resulting in the devastation of individual communities heavily reliant on industries that could not withstand a flood of Chinese imports, with the effects of closures spilling over into the rest of the local economy. Although “creative destruction” might have worked in aggregate, it meant little to specific towns or cities that had no way to replace gutted industries with new ones on a relevant timeline. And there was little understanding of the need for domestic policies, such as effective worker transition assistance, lifelong learning and upskilling programs, and place-based economic development strategies, that aggressively addressed the localized effects of globalization—a gap that has yet to be adequately addressed.

HOW TRADE WARS END

For years now, Washington’s response to the shortcomings of the global trading system has been ad hoc at best. The first Trump administration imposed broad tariffs on China and targeted ones on allies and partners. It also negotiated what was essentially a purchase and sale agreement, rather than a trade agreement, with China, requiring it to buy more commodities and other products from the United States (which China did not in the end fulfill).

The Biden administration kept most of the Trump tariffs in place and added a few more. Despite questioning both the economic and national security value of tariffs imposed on Chinese products such as footwear and apparel, the administration did not want to “reward” Beijing by reducing them. It also innovated the use of export controls, foreign investment restrictions, and industrial policy. Although such measures were focused on strategic industries such as semiconductors and electric vehicles, administration officials did not fully develop a clear framework, with guardrails and limiting principles, to prevent the list of products and technologies essential to national security from growing indefinitely and evolving over time into a policy of simple protectionism. Initiatives such as the Indo-Pacific Economic Framework for Prosperity and the Americas Partnership for Economic Prosperity aimed to draw countries and their supply chains closer to the United States, but without the possibility of market access—deemed too politically sensitive—the impact was marginal.

Still, the Biden administration called for reform of the WTO, rather than for its destruction, and in most ways acted according to the principles of the rules-based system. The second Trump administration

appears to have a different goal in mind: nothing less than the dismantling of the global trading system, rooted in the president's strong preference for unilateral action and belief that bilateral trade deficits are an existential threat. On April 2, his so-called Liberation Day, Trump declared a national emergency and announced "reciprocal" tariffs of up to 50 percent on scores of countries. Since then, he has repeatedly moved the goalposts for agreements while also threatening tariffs as a cudgel on nontrade issues, such as migration, fentanyl, the war in Ukraine, and even the judicial system in Brazil. And he has sought to impose "deals" unilaterally when negotiations have run aground.

Wherever tariff levels precisely land, the current trade wars are almost certain to end with significantly higher barriers to trade. These will impose both costs on American consumers and challenges to American businesses. More than half of U.S. imports today are intermediate goods—inputs into the production of final goods. Accordingly, more expensive or less accessible inputs will make U.S. products less competitive, as was well documented after Trump's first term. In 2018, Trump imposed a 25 percent tariff on steel and a ten percent tariff on aluminum. "Tariffs on steel may have led to an increase of roughly 1,000 jobs in steel production," the economists Kadee Russ and Lydia Cox later concluded. "However, increased costs of inputs facing U.S. firms relative to foreign rivals due to the Section 232 tariffs on steel and aluminum likely have resulted in 75,000 fewer manufacturing jobs in firms where steel or aluminum are an input into production." The Council on Foreign Relations' Benn Steil and Elisabeth Harding calculated that productivity, or output per hour, in the U.S. steel industry has dropped by 32 percent since 2017. If the Trump administration's goal is to create more manufacturing jobs, its approach is likely to have exactly the opposite effect.

Then there is the cost of retaliation and imitation, as other governments respond and follow the U.S. example by imposing tariffs and restrictions of their own. If countries retaliate, it will harm U.S. exports, including agriculture. Imitation might also involve radically expanding the use of the emergency and national security justifications for weaponizing trade, as the United States has. The U.S. position has long been that no one else could tell the United States what was necessary for its national security. But until recently, Washington rarely invoked the national security justification. Trump has expanded the use of this tool to impose restrictions on steel, aluminum, and automobiles, including

from close allies. Other countries have since followed suit. In 2024, a record 95 “Technical Barriers to Trade” regulations at the WTO cited national security concerns, applied to everything from cocoa beans to alcoholic beverages to animal feed.

Exacerbating all these costs is the uncertainty that results from Trump’s approach. Consumers, companies, and investors tend to sit on the sidelines when they are unsure about the general economic outlook and the specific tariffs or other trade measures they might face. The potential impact of tariffs on reducing growth and even triggering a recession could become a self-fulfilling prophecy.

The United States thus finds itself the subject of a grand experiment in which long-standing assumptions about economics and global trade are being questioned, with significant near-term costs and uncertain long-term benefits. The Trump administration has, in effect, turned the political economy of trade on its head. The costs of its policies are likely to be highly visible and felt immediately by most Americans, while the promised benefits, to the extent they come, are likely to be enjoyed by comparably few workers several years in the future. It will soon become clear if the public is willing to accept near-term sacrifice for the sake of Trump’s vision for reindustrializing the U.S. economy. But no matter how fierce the eventual political reaction, there is no going back to the trading system that existed before.

CENTRIFUGAL FORCES

Given the experience of the first half of the twentieth century in trade and beyond, it would seem obvious that international cooperation achieves better outcomes than the raw exercise of unconstrained power. Yet today’s trade policy represents a return to a form of power politics in which might makes right. The United States is acting unilaterally because, as the largest economy and consumer market in the world, it can. And China, lip service to multilateralism notwithstanding, is increasingly doing the same.

Contagion could follow, spurring cycles of unilateralism and transactionalism that could easily spin out of control. Some countries might follow the current U.S. example and explicitly reject the rules-based system. Others might follow China’s example and celebrate the system in word while undermining it in deed. Either way, the proliferating barriers to trade will reduce growth and damage productivity. Gutted rules will create uncertainty and friction, which could lead to instability and conflict.

Over time, the global economy could come to resemble the pre-World War II system, which was marked by the frequent use of trade as a weapon. For dominant economies, the short-term benefits of this raw use of power and disregard for constraints might appear to balance out the costs, but over the longer term, there are likely to be unintended consequences. Meanwhile, smaller and poorer countries will find themselves with insufficient market power to use tariffs and other trade restrictions in the same way.

Other governments may at first strive to maintain the old order, no matter what the United States and China do, well aware that an abandonment of the system altogether would mean a return to a beggar-thy-neighbor world. For some countries, this effort reflects an ideological commitment to the multilateral rules-based system. The entire European project, for example, is rooted in the notion of rules and regulatory-based integration, making it difficult for the European Union to pursue an entirely unilateralist strategy. Developing countries, meanwhile, lack the power and leverage to influence major trading partners and so have relied on the WTO and the dispute-resolution system to level the playing field.

There is thus likely to be a caucus of countries that continue to extol the virtues of the multilateral rules-based system, hoping that ultimately the United States will return to that system and China will modify its economic strategy to comply with it. This effort would play out in much the same way as the climate change regime has, with some countries coming together around a set of rules while many of the most important players choose their own paths instead. And as in the case of climate change, this caucus of countries will likely be frustrated.

COALITIONS OF THE WILLING

If an anarchical trade system is undesirable, but a return to the status quo ante is impossible, that leaves one clear task: developing a new system of rules even as the global economy moves away from a fully multilateral rules-based system. The most viable option is to build a new system around open plurilateralism: coalitions of countries that share interests in specific areas and come together to adopt high standards on certain issues, and then remain open to other countries that share similar interests and are prepared to implement those standards.

For some countries, these coalitions could focus on trade liberalization, based on a shared willingness to provide market access to one another, in whole or in part, in order to further integration and economic efficiency.

For others, coalitions could be avenues for pursuing regulatory harmonization or taking on new issues, such as AI, even if in an informal and nonbinding manner, similar to the role of the Financial Stability Board, an international body formed after the 2008 financial crisis that coordinates recommendations for financial regulation. And with any of these, any individual government could simply opt not to join if it considers the costs of compromise on the relevant issues greater than the benefits.

In some cases, a coalition of countries with similar national security interests could coordinate on technology transfer and industrial policy—in other words, around a common approach to restricting trade rather than facilitating it. A coalition could, for example, discourage its members from importing certain products and services, such as telecommunications infrastructure, from countries that pose a national security threat while encouraging the development

There is no going back to the trading system that existed before.

of secure supply chains among its members. Or it could align export controls and establish common rules for the use of state subsidies. The United States could forge a coalition aimed at building a competitive, collective industrial base to meet the challenge posed by China's scale, as former Deputy Secretary of State Kurt Campbell and the Council on Foreign Relations' Rush Doshi recently recommended in these pages.

How should the United States incentivize countries to join such coalitions? The negotiation of traditional trade-liberalizing agreements appears to be off the table politically, at least for now. Threatening to impose tariffs—that is, using sticks rather than carrots—might secure agreement in the short run, but to be durable, the other members of the coalition must see it as in their interest to align themselves with the United States rather than hedge their bets with China or remain on the sidelines altogether.

One option for the United States is to take advantage of its innovation ecosystem—the unique combination of world-class universities, R & D investment, rule of law, deep capital markets, access to risk capital, and entrepreneurial culture. Many of these assets are currently under threat by Trump administration policies, but over the long run, the value of maintaining U.S. scientific and technological leadership should be self-evident, particularly in the context of great-power rivalry. The U.S. innovation ecosystem might evolve but survive. A club of

countries could secure preferential access to these opportunities and to those offered by other members of the club in exchange for alignment on a broader array of economic and national security interests.

These coalitions would be open, meaning that countries that are able and willing to live by the standards are eligible to join. Some might be quite small, focused on securing semiconductor supply chains, for example, and include, say, Japan, the Netherlands, South Korea, and Taiwan. Others could represent larger groups of countries willing to agree to a broader set of rules to govern trade and investment relations generally, such as the successor to the TPP, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP, which was finalized without U.S. participation. The membership of coalitions could grow over time, and there could be overlapping membership among different coalitions.

In the absence of a fundamental change in Beijing's economic strategy and more, it is hard to imagine China as a candidate for membership in a coalition of this sort that involves the United States any time soon (although there might be room for coalitions cooperating on global public goods, such as pandemic preparedness). It is possible, over time, that Chinese policymakers will change strategy based on their own judgments, driven by demographic, financial, and other pressures. A structure of open plurilateralism, built with allies and partners, might expedite that decision. But after years of trying, U.S. policymakers should by now be quite humble about their ability to directly convince Beijing to change its approach and instead focus on using coalitions to shape China's external environment.

In this world, the WTO might wither entirely, or it might persist in rump form for countries that have no more attractive coalitions to join. It could also be the repository for technical work and a venue for dispute settlement for countries that opt in. The network of free-trade agreements would continue to exist and could become the foundation for broader coalitions, such as the EU potentially following the United Kingdom's lead in joining the CPTPP.

A key benefit of open plurilateralism is the flexibility it provides. Not being beholden to holdouts in a system in which each country has a veto, the approach creates opportunities to move forward on issues among those with a common view and a capacity to take on new issues as they arise and new members as they meet the standards. In terms of economic efficiency, this is a second-best solution. By definition, the benefits would be shared only among members. Principles such as MFN

would be effectively consigned to the dustbin of history. And the variable geometry of custom-tailored plurilateral agreements could be as messy and inefficient as a spaghetti bowl of bilateral trade agreements. But although such a network would be more complex than the multilateral trading system, it might also prove more politically sustainable. It is a pragmatic response to the current challenge: maintaining at least some rules without the multilateral rules-based system.

COMING STORMS

Whatever the benefits of the postwar global trading system—for growth, poverty alleviation, consumer welfare, and more—there were, at the end of the day, losers as well as winners. Neither the costs nor the benefits were equally shared, and the distributional issues rarely got adequate attention from policymakers. These downsides will remain even in the best-designed system, and it will be essential to find better solutions for the harms. Any new system must come with an accompanying set of domestic policies designed to ensure that American workers and communities can thrive in a rapidly changing economy, whether that change comes from trade, technology, or immigration. Past administrations have made modest attempts at place-based economic development and worker retraining, but never with the seriousness of purpose or degree of prioritization that will be necessary.

Such policies may be even more urgently needed in the wake of the Trump trade wars. The costs of the current approach—in terms of growth, inflation, and productivity—are likely to fall most on the people Trump claims to be championing. Low-income Americans spend a disproportionate share of their income on imported goods. Industries that employ blue-collar workers depend on imported inputs. And the incomes of farmers and ranchers are highly sensitive to retaliation by other countries.

Meanwhile, as the United States grapples with those consequences, the coming impact of artificial intelligence on workers could well dwarf the impact of globalization. The China shock contributed to the elimination of an estimated two million jobs between 1999 and 2011; the widespread application of AI could eliminate tens of millions of jobs over a similar period. So while attention is focused on tariffs, policymakers should be devoting at least as much effort to preparing for the AI-driven restructuring of the American workforce. As with trade, the benefits might be widely shared. But in this case, the costs might be, as well. 🌪️

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Michelle Reddy

Executive Director

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Dr. Katharine Petrich

Program Chair and Assistant Professor, Threat Intelligence
Middlebury Institute of International Studies

From AI to Instability: Navigating a Career in Global Affairs at a Time of Upheaval

With its international focus and applied learning model, faculty at the Middlebury Institute of International Studies have always updated their courses constantly. Now programs are evolving to reflect geopolitical shifts and AI.

Why did the Institute launch new master's degrees in threat intelligence and in global governance?

Our new degrees respond to the fact that global power is no longer just in the hands of states. Non-state actors, corporations, tech firms, even troll farms—they're all shaping international outcomes now. What's great about Middlebury is that internationalism isn't just a theme we visit during a module at the end of the semester—it's integrated throughout.

Threat intelligence equips students to analyze that whole ecosystem—not just governments, but big tech, oil and gas, and disinformation networks. Global governance helps students understand how international norms and systems are shifting in response. These aren't hypothetical shifts. They're here, and we're preparing students to meet them.

How are faculty updating their curriculum and how they teach in light of AI and shifting geopolitics?

AI is a force multiplier. It's not optional. We have to engage with it, both for its benefits and its risks. My biggest concern for students is over-reliance. We have good evidence that leaning too hard on AI can dull critical thinking. So we're working with students to understand when to use it, when not to, and how to evaluate its outputs.

While undergraduate programs are about wide exposure, a good master's program is where you go deep and prepare to launch your professional career. You should come away with deep content knowledge and both hard and soft skills. You may need to understand SQL or be able to wrangle data in Excel but also know how to read between the lines of a prime minister's public statement or assess a social media post for credibility. Ideally, you'll

get to practice all those things with us—and mess them up safely!—before you hit a real job.

Which skills are becoming more important for graduates?

Information literacy. Research used to mean heading to the library, where everything was reliable. Now, students are flooded with sources and need to quickly assess what's credible. Filtering and making sense of digital data is critical.

With AI, it's not just number-crunching. It's understanding what the output means and whether it's even real. Can you recognize “hallucinations”? Can you triangulate what the model gives you with other sources?

That kind of analytical bridgework—translating technical outputs into meaningful decisions—is increasingly at the heart of what we teach.

What advice do you have for people launching their careers in this uncertain time?

As someone who graduated into two recessions, the advice I wish I'd received earlier is: focus less on job titles and more on job functions. What do you actually want to *do* each day? Travel? Write? Meet with policymakers? Field work? Start there.

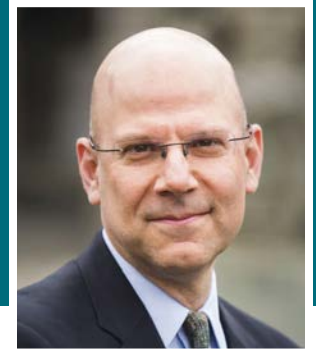
The world isn't going back to an isolationist past. Maybe you dreamed of working for the federal government or a think tank, and find yourself at a maritime shipping company instead. You're still negotiating across cultures. The skills of diplomacy, bridge-building, and analysis all still apply.



Middlebury Institute of
International Studies at Monterey

Joel S. Hellman, PhD

Dean and Distinguished Professor of the Practice
School of Foreign Service
Georgetown University



Global Engagement is More Necessary Than Ever

How is your school innovating to address the new policy environment?

It's critical that international affairs schools remember the human dimension of international affairs. This past fall, the first cohort of the Master of Arts in International Migration and Refugees program began their studies. This program combines robust social science research with policy expertise in migration and displacement to confront one of the most important challenges facing us: unprecedented global mobility.

One of the challenges linked to migration is climate change, which places extraordinary pressure on humanity to adapt to a forever altered planet. To help prepare leaders in environmental policy, we launched our one-year **Master of Science in Environment and International Affairs** with The Earth Commons, Georgetown University's Institute for Environment & Sustainability. This degree integrates environmental science with policy and is designed to quickly ready the next generation of climate policy experts.

Over our more than one hundred years of history, a hallmark of the School of Foreign Service (SFS) has been our connection to the world beyond U.S. perspectives. It is only through greater understanding and empathy for the rich diversity of cultures and approaches that we can solve our greatest global challenges. To expand our ability to engage with policy in the Global South, this past year, we launched our branch location in Jakarta, Indonesia: Georgetown SFS Asia Pacific. The centerpiece is the new, one-year **Executive Master in Diplomacy and International Affairs**, designed for mid-career professionals in the Asia Pacific region.

Our **Center for Security and Emerging Technology** (CSET) has, over the past seven years, become a premier policy research organization. CSET currently focuses on the effects of progress in AI, advanced computing, and biotechnology. They provide decision-makers with

data-driven analysis on the security implications of emerging technologies. As technology evolves, policymakers will need clear, nonpartisan analysis from people outside the tech industry, and CSET puts SFS at the forefront of this endeavor.

How are new models being addressed?

As global affairs become more matrixed and the complexity of the global economy increases, professionals need ways to continue to grow their knowledge of markets, foreign policy, economic development, and global finance to maintain their edge in understanding the world. To meet this emerging need, this year, we launched **custom executive education programs**. In partnership with Georgetown's McDonough School of Business, we offer everything from focused half-day sessions to comprehensive, multi-day programs.

The international development sector was rocked by executive actions at the beginning of 2025. Our responsibility to those working in this critical sector doesn't end with our current students—SFS believes that we have an ongoing responsibility to our alumni. Through quick thinking at the program level, we established a relationship with The Rockefeller Foundation to create a resource for affected development workers. Called **Pivot with Purpose**, its goal is to help these incredibly dedicated, passionate, and experienced professionals find ways to use their considerable skills in the service of others, even if that service now happens outside the federal government. For it is at this very moment that the mission of SFS—a global school of diplomacy dedicated to fostering “peace through understanding”—is more critical than ever.

SFS | GEORGETOWN UNIVERSITY
School of Foreign Service



Dr. Reyko Huang

Associate Professor, Department of International Affairs
The Bush School of Government and Public Service
Texas A&M University

Preparing Public Servants for a World in Conflict

Political violence is increasing globally. There are more armed conflicts today than at any point since World War II. In this context, it is imperative for professionals in foreign policy, diplomacy, and humanitarian affairs to be equipped with the depth of knowledge and skills needed to think effectively and creatively about international, domestic, and community impacts and responses.

What is the conflict & development concentration at the Bush School, and how does it prepare students for public service?

The conflict and development concentration grounds students in the study of peace and conflict within the context of today's global challenges. In places marked by instability, security and development are two sides of the same coin. Our courses offer rigorous training in political and economic systems, research methods, and specialized knowledge in areas such as civil wars, foreign economic policy, state-building, and regional politics.

The international affairs department emphasizes critical thinking, analytical skills, teamwork, and effective communication across our courses. Our lounges are never without student teams collaborating to address foreign policy problems and preparing written and oral deliverables. My classes are spaces of active learning and informed dialogue, where we weigh theoretical tenets, empirical evidence, the historical record, and policy options and bring them to bear in jointly investigating salient international issues.

Beyond the classroom, students have ample opportunities to engage with faculty and with one another through faculty-led research labs, research assistantships, and policy seminars. My own students have contributed directly to my work on rebel diplomacy and state-building in contested regions, gaining research experience and mentorship.

What makes the Bush School unique?

Several features combine to make the Bush School an excellent and unique place for pursuing a master's degree. Our interdisciplinary faculty of academics and practitioners provide foundational training in international affairs while also fostering a level of expertise in topics ranging from conflict and diplomacy to international trade, human security, and foreign policy. Academic faculty are experts in the field, while practitioner faculty have served in top-level posts in hotspots ranging from Africa and the Middle East to the Indo-Pacific region.

Our curriculum is rooted in both academic scholarship and in experiential learning. Our required capstone courses are all-hands-on-deck team projects in which students work with client entities, whether U.S. government agencies or international organizations, to address pressing policy issues over a semester. In a recent capstone, my students traveled to New York to deliver their research findings on wartime child protection to an international NGO, gaining a depth of knowledge on the topic and considerable experience in research, analysis, writing, and presentation.

Finally, the Bush School is a community of dedicated individuals—thinkers, doers, and future public servants—working toward the goal of leadership in service. The shared commitment and energy course through our hallways, and students and faculty alike make enduring connections through the experience.



TEXAS A&M UNIVERSITY

The Bush School
of Government & Public Service

David Thomas

**Director, Thunderbird Initiative for
Space Leadership, Policy and Business
Professor of Practice
Thunderbird School of Global Management at ASU**



Leading Beyond Earth

Tell us about your journey to Thunderbird School of Global Management.

My journey is the product of twenty years as an executive, scientist, and science diplomat. It did not follow a traditional path: I am a first-generation university graduate who came from humble beginnings. I began my career as an applied scientist, working to extend the lifetime of materials for implants, developing techniques for retinal imaging, and creating novel devices for detecting vision problems in pre-verbal children. This experience allowed me to build the acumen necessary to lead and helped me form innovation processes that optimize the path to novel solutions.

In addition to being the director of the Thunderbird Initiative for Space Leadership, Policy and Business, I have the honor of leading Arizona State University's effort to create the first university-led, nongovernmental space agency, called the Milo Institute. This has provided an opportunity to see the need for human capital development worldwide.

What makes Thunderbird positioned to prepare the next generation of leaders in space leadership, commerce, and diplomacy?

There is a need to cultivate leaders who embody the Thunderbird ethos—visionaries who will navigate the unknown with integrity and ensure that the future of space exploration serves all of humanity. Thunderbird was built on the very principles needed during this time in history.

What are some of the challenges facing space leadership and business today, and how can education and research help address them?

We are witnessing an extraordinary era defined by unprecedented access to space. The rise of space commerce has transformed the landscape, and the rapid pace of corporate innovation has created new opportunities for public-private partnerships and business models. Satellite constellations offer tools that provide fresh perspectives,

enabling precision agriculture and water management, and efforts to mitigate the impacts of climate change. Plans to explore the moon and Mars have brought the once-distant dream of interplanetary travel within reach. Yet, this new frontier is shaped by complex geopolitical dynamics that underscore an urgent need for leaders adept in international diplomacy.

How can Thunderbird inspire professionals to see space not just as a frontier of exploration but as a platform for solving global challenges?

The challenges we face on the moon and Mars have similarities to those we face on Earth. They include meeting basic needs for food, water, energy, and shelter. Innovation is needed in infrastructure, such as energy generation and storage, logistics and supply chain management, transportation, and communication. We must perfect remote medical diagnostics and delivery and understand how to improve the well-being of humans living in isolated and harsh environments.

Space brings people together to solve challenges that are bigger than any one person. In turn, it builds capacity to solve hard problems on Earth. The Thunderbird Space Initiative teaches transferable skills, including leadership, teamwork, and communication, while advancing concepts that address these issues—and using space as a platform to tackle them.





Michael McFaul

Director, Freeman Spogli Institute for International Studies
 Ken Olivier and Angela Nomellini Professor of International
 Studies, Department of Political Science
 Peter and Helen Bing Senior Fellow, Hoover Institution

Shaping the Future of Policy at a Pivotal Moment in History

Why is this a good time to study international policy?

This is a compelling time because of the collision of new challenges with traditional geopolitics. We are witnessing a return to great power competition involving major players such as China and Russia, complicated by new, unpredictable variables. We are just beginning to understand how transformative emerging technologies such as AI, quantum computing, and green energy sources will shape society and international relations. It reminds me of the early Cold War, when we grappled with the implications of nuclear technology. Additionally, America is debating its place in the world, with increasing isolationist tendencies across the political spectrum. For aspiring policymakers, grappling with the complexities of this fundamentally new historical moment makes this a fascinating and urgent time to study the field.

How is the Ford Dorsey Master's in International Policy (MIP) program innovating to address the changing policy environment?

There is no better place to study these issues than Stanford. Our university is an ecosystem where the world's leading experts are inventing, studying, and analyzing the very technologies reshaping our world. The MIP program consciously leverages this unique strength. Our specialization tracks were designed to respond to twenty-first century challenges, and we anticipated the need to understand the critical intersection of technology with policy, security, governance, and energy, long before it became a mainstream concern. Our institute also has deep expertise in Asia, reflecting the pivot in global attention. This makes the MIP curriculum not just current but forward-thinking, ensuring our students are prepared for future developments in international policy and stay ahead of the curve.

What experiential learning programs are available to build practical skill sets?

The MIP program is designed with experiential learning at its core. Under Frank Fukuyama's leadership, our program has evolved to transcend traditional classroom instruction. Through the capstone program, students engage in fieldwork across the globe, working with partner organizations to gain tangible experience and build practical skills. They learn from their actions and collaborate to find innovative solutions. This process mirrors how policy is developed in government, international organizations, or corporations, making it a uniquely immersive and effective approach to policy education.

What paths are available for strengthening networks and collaboration?

Collaboration starts with the intentionally small and boutique nature of our program, which fosters genuine, lasting relationships between students and faculty. Stanford's culture is notably flat and non-hierarchical, which breaks down barriers and encourages direct engagement. Our students often work as research assistants, becoming partners in discovery rather than just pupils, and contributing to a synergistic community.

While people know about our unique Silicon Valley connections, they are often surprised by our deep ties to Washington, D.C., New York, Brussels, and Beijing. Stanford counts many former senior government officials among its faculty, including secretaries of state and defense, national security advisors, and ambassadors. This ecosystem creates a powerful network with direct lines to key industries and centers of global policy, ensuring MIP graduates are well-connected and poised for impactful careers in international affairs.

Stanford | Ford Dorsey Master's
 in International Policy
 Freeman Spogli Institute

Dean Manoj Mohanan

Ph.D. in Health Policy (Economics),
MS and MPH, Harvard University

Creed C. Black Professor of Public Policy and Interim Dean
Duke Sanford School of Public Policy



Policy Education for a Global Era

Why do you believe now is a pivotal moment for students pursuing careers in public policy and international development?

As global challenges intensify, the need for well-trained policy experts has never been greater. Policy analysis skills grounded in economics, political science, ethics, and management are critical to identifying and implementing sustainable, long-term solutions to growing challenges, even when some of these challenges might seem insurmountable at times.

How is Duke's Sanford School preparing students to meet the complex challenges of today's global environment?

We are actively investing in faculty and programs that meet this moment. Our faculty brings expertise in technology policy, AI governance, national security, and climate resilience, and their teaching targets immediate policy challenges in these areas. We've also launched new programs in cybersecurity and digital governance that equip students to address urgent cross-sector threats, with practical applications that translate directly to public and private sector work.

In addition, we're launching a new technology policy concentration for our Master of Public Affairs and expanding opportunities for students to engage with a wide range of experts on emerging policy topics. Every visiting speaker, whether they're a former head of state or a leading technologist, spends time engaging with students in the classroom. This exposure to real-time, real-world policy thinking is invaluable.

How does Sanford foster global collaboration?

Global engagement is central to the Sanford experience. We are home to one of only seven Rotary Peace Centers worldwide, offering a fellowship path for our Master of International Development Policy program, and we partner

with the Hertie School in Berlin on both an exchange program and a dual master's degree in public policy and data science.

Students gain firsthand global policy experience through our Global Policy in Geneva program, where they engage with organizations such as the World Trade Organization and the World Economic Forum. Our international Master of Environmental Policy program, based at Duke Kunshan University in partnership with Wuhan University, is another example of the global opportunities we offer, and we remain committed to expanding and adapting these collaborations to meet students' changing needs.

In addition to institutional partnerships, Sanford's global network of over 10,000 alumni working in over 100 countries and faculty engaged in global research and policy work are immense resources to all Duke students.

What role does interdisciplinary learning at Duke play in all of this?

Interdisciplinary learning is a hallmark of a Duke and Sanford education. In fact, Duke's long-standing commitment to collaboration across fields earned a number-five global ranking in interdisciplinary science. At Sanford, students learn from faculty across the university in areas including law, business, engineering, medicine, and the environment. This training in collaborative problem solving equips our graduates to approach global policy problems with a broader lens and develop innovative, cross-sector solutions.

Duke | SANFORD SCHOOL of
PUBLIC POLICY



Megumi Ochi, PhD

Associate Professor

Graduate School of International Relations (GSIR)

Ritsumeikan University, Kyoto Japan

Global Challenges, Regional Insights: The Future of International Relations at GSIR

What is the world's most pressing issue for you?

As a professor at the Graduate School of International Relations (GSIR), I believe the most pressing issue is the current security and political situation that undermines the principles of international law-based order. Dissemination of fake news and the lack of care for the environment and diversity threaten the foundations of human coexistence and cooperation. In this context, ethical and philosophical grounding is more important than ever, especially in the era of artificial intelligence and the privatization of traditional governmental activities, such as war and security. Engaging with these complex theoretical challenges is essential to shaping the mindset of future global leaders.

How is earning a degree in international relations essential today?

Professionals who can address international issues critically and effectively are in high demand. At GSIR, international relations is an interdisciplinary approach that brings together perspectives across politics, economics and development, culture, society, media, and regional studies. Gaining the knowledge and skills to provide a comprehensive, cross-cutting understanding gives students the edge to tackle global challenges.

How is your school innovating to address the new policy environment?

Our graduate school consists of four clusters: global governance, sustainable development, culture, society and media, and global Japanese studies. Studying international relations through Japanese and regional perspective encourages critical reflections on traditional theories and helps to uncover historical and colonial biases. GSIR draws on deep-rooted ties between Japan and the broader Asia region. Informed by regional solidarity, GSIR leads a variety of academic programs and initiatives.

One example is participation in the Project for Human Resource Development Scholarship program by the Japan International Cooperation Agency. The program offers public officials from countries in Asia, Central Asia, and Africa the opportunity to pursue graduate degrees in Japan, fostering leadership, policy expertise, and bilateral cooperation through education. This growing network of faculty and alumni is one of GSIR's greatest strengths, especially in today's increasingly fragmented world.

What experiential learning programs are available to build practical skill sets?

GSIR offers a uniquely immersive environment, located in the northern part of Kyoto City, within cycling distance from UNESCO World Heritage temples and shrines. It is an ideal setting to examine the balance between preservation and tourism, tradition and innovation, and development and sustainability. Kyoto's forward-thinking approach to waste management and emissions reduction are also valuable case studies.

Professional training with a Japanese perspective—that's what GSIR offers students: bringing together people from diverse cultural backgrounds to develop practical skills in a collaborative setting. This includes hands-on field trips to Kyoto to explore real-world development challenges. In addition, the research and training program allows students to deepen their research competencies by working on faculty-led projects, strengthening both academic and applied skill sets.

R RITSUMEIKAN UNIVERSITY | GRADUATE SCHOOL OF INTERNATIONAL RELATIONS

Hussein Banai

Associate Professor
Hamilton Lugar School of Global and International Studies
Indiana University



On the Israel-Iran War and Its Fallout

What triggered the 2025 Israel-Iran conflict, and how did the United States become involved?

The 2025 conflict began with a calculated Israeli airstrike on suspected Iranian nuclear facilities. With uranium enrichment nearing weapons-grade levels and diplomatic efforts stalled, Israeli leaders seized a narrow window for preemption. The United States, breaking from years of ambiguity, stepped in—not only to support an ally but to signal a willingness to act militarily when diplomacy fails. This marked a strategic shift. For students and scholars of international affairs, it's a vivid example of how great power competition, nuclear nonproliferation, and regional alliances intersect in today's volatile landscape.

Has Israel succeeded in restoring a credible deterrent strategy against Iran?

Yes, though at a considerable cost. Israel's long-standing strategy of disruption—cyberattacks, assassinations, infrastructure sabotage—expanded after the 2023 Hamas attacks. In the past eighteen months, Israel has widened its operations to target Iran's regional proxies and even struck deep within Iranian borders. The result is a fragile but effective restoration of deterrence. The implications for regional balance, and the ethical boundaries of preemptive strategy, are central to the debates we foster at the Hamilton Lugar School—where students examine not just the tactics of deterrence but also the human and diplomatic costs.

How has Iran's domestic political landscape shifted in response to recent U.S. and Israeli actions?

Rather than reform, the regime has doubled down—recasting itself as a righteous victim and galvanizing nationalist support. Moderates have called for inclusion and reform but with little traction. For everyday Iranians, the toll is personal: lives caught between authoritarian rule and international escalation. Understanding this internal

dimension—how foreign policy reverberates through domestic politics—is key to building a more informed and empathetic global citizenry, which is a central goal of our teaching and research.

What has been the response of Iran's great power allies—Russia and China—to the war?

Strategic silence. Russia and China condemned the strikes but stopped short of direct involvement. Moscow blames Western interference, while Beijing urges stability, wary of disruptions to energy flows. Both use Iran as a geopolitical pawn—supporting it just enough to check U.S. influence, but distancing themselves when risks grow. It's a telling example of how shifting global alliances are defined less by ideology and more by opportunism—one of many complex dynamics students analyze in our classrooms and global policy labs.

Is there still a viable diplomatic path forward between the United States and Iran?

There is, but it is narrowing. Iran's strategic assets have been compromised, and mutual trust is in ruins. Yet the regime's primary aim—survival—still leaves room for negotiation. If the United States can provide credible assurances, a slim path may remain. This is the kind of hard-nosed realism our students grapple with: diplomacy not as idealism but as strategic necessity. In today's fragmented world, training the next generation to navigate such challenges is more urgent—and more meaningful—than ever.



HAMILTON LUGAR
SCHOOL OF GLOBAL AND INTERNATIONAL STUDIES
Indiana University



Borja Santos

Vice Dean

IE School of Politics, Economics & Global Affairs
IE University

Shaping Global Leaders for a Changing World

How is IE University preparing students for today's evolving policy landscape?

At IE, and through our Master in Public Policy, we've redesigned policy education for a rapidly changing world. Our curriculum blends core policy analysis with future-oriented areas such as behavioral economics, technology ethics, and foresight. Specializations in digital transformation, the green transition, and EU affairs allow students to focus on urgent challenges. With faculty from institutions such as the UN, Google, and the European Commission, students gain real-time insight into global trends. We train professionals to lead across sectors where complex challenges intersect.

How does IE address new approaches to diplomacy, governance, and cooperation?

As global cooperation becomes fragmented, new governance models must be networked, inclusive, and tech-aware. The programs at IE emphasize public-private collaboration, digital diplomacy, and regional innovation. Through our partnership with the Geneva Science and Diplomacy Anticipator, students explore how science-AI and quantum computing—can guide multilateral policy. Our collaboration with organizations such as the UN and the European Climate Foundation ensures students gain practical experience in shaping future governance models.

What hands-on learning opportunities do students receive?

Experiential learning is central to our method. The Master in Public Policy includes a full-scale simulation of the policy cycle, from design to negotiation and evaluation. Final projects range from academic research to consulting or policy innovation. Students also travel to policy hubs, such as Brussels and collaborate directly with institutions such as PwC and the United Nations, building skills for real-world impact.

In what ways does IE's model stand apart from traditional international relations programs?

IE bridges the gap between theory and practice. Students work alongside diplomats, business leaders, and global

innovators through immersive labs and projects. We're responsive to global developments, embedding current events into our curriculum. Our model is dynamic and personalized, allowing students to tailor their learning through fieldwork, consulting, and entrepreneurial initiatives—ensuring they're ready to lead.

How do students build global networks during and after their studies?

With classmates from over thirty countries and a faculty drawn from five continents, our classrooms are global by design. Programs such as the Global Distinguished Fellows connect students with high-level mentors, including former prime ministers and UN officials. Partnerships with the International Telecommunications Union, Google, and alliances such as APSIA and CIVICA expand these networks. Alumni remain engaged through a global platform that supports collaboration long after graduation.

What role does technology play in your training of future policy professionals?

Technology is embedded throughout our curriculum. Students explore the risks and benefits of AI, big data, and digital governance while learning to design inclusive digital policies. Through partnerships with centers such as the IE Global Policy Center, they're trained to bridge innovation with ethical leadership.

What kind of leadership does IE aim to cultivate?

We shape leaders who are globally minded, ethically grounded, and impact-driven—individuals capable of navigating complexity, building bridges, and leading with purpose. In today's fractured world, this kind of leadership is essential.



Ambassador Andrea Canepari

Professor of Practice
School of International Affairs
Penn State University



From Theory to Practice: Equipping Future Leaders in International Affairs

With mounting global challenges and a shifting international landscape, what skills are critical for students pursuing careers in international affairs?

Teaching theoretical solutions is not sufficient. International relations leaders need a broad toolbox to evaluate context and to assess risks and opportunities. Global challenges can be faced only by creating synergies—recognition of common needs and desires, creation of an alignment of interests across states and political, cultural and economic actors. Building the necessary living bridges across countries and groups means envisaging common goals, developing strategies, and effectively communicating the approach at local and global levels. This task requires analytical sophistication, conceptual vision, cultural and historical sensitivity, and clear communication.

Operating internationally in the public or private sector now demands a 360-degree approach. When so many problems cross geographic and political boundaries, national solutions are inadequate. Skill in public diplomacy, which focuses on building virtuous relationships between populations and countries by fostering common interests, must be part of the toolkit. Professionals must be equipped to extract lessons from concrete success stories, create initiatives that build trust and commitment, and identify objectives that have value for all actors. Successful public diplomacy initiatives emerge from the same core components: listening carefully to a range of international actors, creating an effective network, and translating shared interests into common opportunities.

How can experiential activities help students deepen these crucial professional skills?

Penn State's School of International Affairs (SIA) prioritizes experiential learning in the curriculum. Our flagship activity is the annual international crisis simulation exercise conducted by the U.S. Army War College, hosted by SIA for the past thirteen years. Working in teams, students confront global security challenges by adopting roles as representatives of states. Like other simulations conducted

in SIA classes and in partnership with think tanks, students must synthesize information from multiple sources in a short time and navigate challenges through strategic analysis, teamwork, and negotiation.

How do you build these activities into your courses?

My courses aim for a seamless interchange between sharing experiences from my professional life and receiving insights from students. A key assignment entails developing a complex international communication and action plan: students adopt roles and take stock of their audience, including multilateral organizations, embassies, interest groups, and international corporations. The objective is to create a common platform for action where the players actively pursue a relevant goal. Students learn that a shared platform does not require a perfect coincidence of objectives. Actors can pursue different, non-conflicting goals through the same plan of action. This result can be achieved only through effective listening—a fundamental method for diplomats and professionals engaged in international activities.

How can you draw on international networks to enrich educational and professional opportunities for students?

I aspire to bring the world inside Penn State's classrooms and to bring Penn State's students into the world. My upcoming classes will incorporate guest speakers whose career paths illuminate new possibilities and will promote joint projects with companies, professional firms, diplomatic structures, and international organizations. This approach is facilitated by Penn State's extensive alumni community, the largest in the world.



PennState
School of
International Affairs



Julia Dean

Graduate Student, MAIS Program 2024–26

President, Diplomatic Academy Students Initiative (DASI) 2025–26

Diplomatische Akademie Wien

Vienna School of International Studies

Developing Students into Changemakers

Graduate programs at the Diplomatic Akademie Wien—Vienna School of International Studies (DA) prepare students to excel in a range of international careers. Located in the heart of Vienna, the DA is near international organizations, nongovernmental organizations, diplomatic missions, and cultural institutions. With a vast alumni network in more than 130 countries and thirteen active alumni chapters worldwide, the DA offers an excellent balance between theoretical and practical approaches.

What is the inflection point?

Halfway through the UN's Decade of Action (2020–2030), we stand at a crossroads: what kind of world are we building? Recent reports show that progress toward the Sustainable Development Goals are all off-track and under continued threat from international crises, such as the COVID-19 pandemic, the re-election of Donald Trump in the United States, the growing use of AI in military applications, consequences of slow action in the face of the climate crisis, and ongoing conflicts in Ukraine, Palestine, Yemen, Sudan, amongst others.

Students and young professionals are crucial changemakers in the era of polycrisis. With international relations studies at institutions like the DA, we gain the tools, networks, and confidence to reshape the world from one of violence, extraction, and oppression to one of collaboration, sustainability, equality, and peace.

How is your school innovating to address the new policy environment?

This year, the DA launched its fifth post-graduate program: the Master of Science in Digital International Affairs, in collaboration with the University of Innsbruck. In addition to this new offering, the DA offers a one-year diploma program, a Master in Advanced International Studies, a Master of Science in Environmental Technology

and International Affairs, and a PhD in Interdisciplinary International Studies.

Beyond coursework, the DA helps students to connect with one another to explore various perspectives on shared issues, such as rising populist authoritarianism or the use of and ethics in AI. Students dissect and discuss these issues through debates, such as those hosted by the DAbate Society, or via podcast or on-paper in our student-run *Polemics* magazine. Furthermore, students can gain necessary exposure to other cultures on-campus through our German, English, and French language courses and events organized by cultural societies, or they can do so abroad via DA's exchange programs.

What experiential learning opportunities are available to build practical skill sets?

Most crucially, students are encouraged to take action on the broad issues at this inflection point. Whether it be in the Diplomatic Academy Students Initiative (DASI), as teaching assistants or as leaders in our student-run societies, students can represent, inform, and collaborate with their peers. These hands-on opportunities enable us to not only build our lively student culture but also apply knowledge learned in the classroom to problem-solve on real-world issues—how do we build a broad coalition to ensure that the solutions we develop are equitable, durable, and future-proof? Students of the DA do so by collaborating with one another and with support from our administration, alumni, and partners. Our engagement in our local academic community enables us to succeed globally post-graduation.

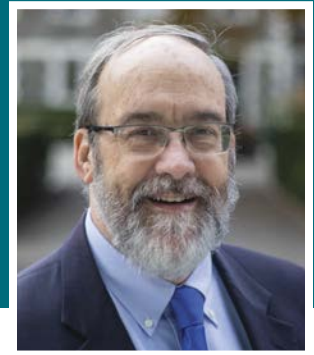


**diplomatische
akademie wien**

Vienna School of International Studies
École des Hautes Études Internationales de Vienne

Professor Henry Schwalbenberg

Director
The Graduate Program in International
Political Economy and Development
Fordham University



Understanding International Economic Issues Amidst Changing Global Landscape

What sets the Fordham Master of Arts program in International Political Economy and Development (Fordham IPED) apart from other international affairs programs?

Fordham IPED offers a unique, rigorous, and innovative approach to analyzing contemporary global economic relations. Issues in international economic relations and in international development are understood from both a political and an economic perspective. Such abroad political economy perspective is critical in understanding current U.S. disruptions to the global economy.

Furthermore, we provide a strong quantitative methods foundation that allows our students to develop robust analytical skills in data analysis, project assessment, and computer programming. We also stress professional experience outside of the classroom – and we only admit a small select group of about twenty students each year.

How does Fordham IPED prepare its students in anticipating changes in the international affairs landscape?

Our core curriculum, consisting of economic, political, and quantitative courses, provides students with an advanced interdisciplinary knowledge of global economic relations. Our electives allow students to specialize in the fields of international development, international economics, finance and development, international banking and finance, or global environmental and resource economics.

This curriculum gives our students the analytical expertise critically needed to anticipate and adapt to shifts in a global economy challenged by rising nationalism, climate change, technological innovations, and increasing inequality. Students must understand how private markets can be strengthened to promote economic opportunities, reduce poverty, and foster global cooperation amidst a changing policy environment.

What unique advantages are available for Fordham IPED students?

Our curriculum and our location in New York City are ideal

for anyone who wishes to be at the center of the world economy. Our location affords our students a wealth of internship opportunities ranging from the United Nations and international nonprofit organizations to international think tanks and Wall Street.

Through an endowed summer intern fellowship program, we fund a number of field placements for our students to gain practical experience with international businesses, government agencies, and nonprofit organizations, not only here in New York but also in Washington, DC, as well as in Africa, Asia, Europe, and Latin America.

We also complement our classes with a weekly lecture series and various career trips in New York and Washington, DC that feature a broad range of professionals highlighting the practitioner perspective on contemporary issues in international affairs.

We have a small class size of roughly twenty students, providing the opportunity for close interactions with our supportive and distinguished faculty of experts. Our students, drawn from around the world, come from diverse cultural and professional backgrounds. We admit our students from among the top 40% of all applicants to U.S. graduate programs. We offer generous scholarships to exceptional students, and provide funding for students' participation in internship placements, language immersion programs, and international fieldwork overseas.

Lastly, we have a strong alumni network and close association with various international organizations. Our placement record is strong, with about 36% of alumni in the private sector, 24% in the nonprofit sector, 31% in government, and the remaining 9% in academia. Our graduates also have a strong record of winning various prestigious awards such as Fulbright Fellowships, Boren Fellowships, and international development fellowships.



FORDHAM | IPED

THE GRADUATE PROGRAM IN
INTERNATIONAL POLITICAL ECONOMY AND DEVELOPMENT
FORDHAM UNIVERSITY, NEW YORK CITY



Shannon L. Hader, MD MPH

Dean and Professor
School of International Service (SIS)
American University

Agility of Thought, Skills that Cross Sectors: Doing Global “Differently”

How is the School of International Service (SIS) innovating to address a rapidly changing policy environment?

Dynamic global changes—in democracy, foreign policy, conflict, migration, development, bilateral and multilateral organizations—create a unique moment to re-examine assumptions and design what’s next.

Our coursework adapted quickly from analyzing the role of USAID to imagining a world without it. As trade and tariffs dominated headlines, we convened experts from leading international economic institutions for timely workshops on how global commerce is evolving amid political tensions. Faculty research tackled new questions, such as Professor Robert Kelley on how trade wars might affect panda diplomacy or Professor William Akoto on why cutting trade ties would be a bad defense against state-sponsored hacking.

SIS has long prepared graduates to pivot and adapt. We cultivate agility of thought and build transferable skills that focus on issues rather than sectors. This year’s skills institutes have ranged from media training to drafting policy memos to staffing senior leaders. Popular courses include Conflict Mitigation and Peacebuilding; Intelligence and Analysis; and Planning for Conflict and Climate Migrants. Our graduates move across sectors—from private to government to nonprofits—delivering impact where it’s needed most.

What roles do SIS’s networks and partnerships play?

The 25,000+ worldwide alumni network at SIS mobilizes to support students and young alumni. They’ve shared stories of career pivots, become formal mentors, hired and directed hiring organizations our way, and provided emergency funds to keep degrees on track.

Our long-standing DC partnerships mean SIS is a living-learning lab for globalists. We engage people who bring real-time, beyond-the-headlines insights from being inside rooms of dialogue and decision-making, giving students a front-row seat to change. Our global partners range

from multilaterals to local community NGOs, so whether our graduate students go for short-term studies, such as Professor Nina Yamanis’s two-week Tanzania course, or extended stays, such as the year-long UN-affiliated University for Peace in Costa Rica requirement for the Natural Resources and Sustainable Development program, the experience is deep.

Why do SIS’s core values matter?

SIS remains unapologetically global, intersectional, and service-driven. Founded in 1957 as a school of **service**, not just of **studies**, SIS faculty bring action-oriented and human-centered thought leadership, including globally recognized researchers and practitioners. In a single term, you might study with founders in the fields of global international relations, such as Amitav Acharya, or water justice with Ken Conca, or former ambassadors Piper Campbell, Earl Anthony Wayne, and Akbar Ahmed, who have navigated trade, diplomacy, and democracy.

We recognize that the world’s most complex challenges—emerging technologies and democracy, power and peace, economic development and security, health and human rights—don’t run in parallel lines; they intersect, and new solutions must bring multiple experts together. Each SIS department is intersectional and interdisciplinary. Our 360-degree global orientation means we recognize the United States as part of—not separate from—the world. We learn about ourselves as we learn about others, regardless of where each person calls home.



SCHOOL of
INTERNATIONAL
SERVICE

Ben Buchanan

Dmitri Alperovitch Associate Professor
School of Advanced International Studies
Johns Hopkins University



Shaping the Future of AI and Security: Insights from SAIS

What motivated you to join the faculty at Johns Hopkins School of Advanced International Studies (SAIS)?

I was attracted to the faculty, students, and history of SAIS. Together, they have given the school a well-earned reputation for scholarly rigor, policy impact, and meaningful community. In my time at SAIS, I have found it lives up to this amazing reputation.

Your work intersects the fields of artificial intelligence (AI), cybersecurity, and national security policy. How will your expertise shape your role within SAIS's Emerging Technologies initiative, and what specific contributions do you hope to make?

There are many questions about AI and national security that I find fascinating. These include the potential for artificial general intelligence, the relationship between the public and private sectors, and AI's impact on cyber operations. With its interdisciplinary strength, SAIS is an excellent place to dive deep into these questions and hopefully produce work that helps shape better policy.

You have held significant positions in the White House, including special advisor for artificial intelligence. What are some of the key challenges and opportunities you see in the governance of AI and cybersecurity on a national and international scale?

AI is the first revolutionary technology largely invented outside the realm of government. In contrast to previous periods of change, such as the atomic and space age, the government has less control than it might like. This requires the government to work harder to understand the technology more deeply and to be more thoughtful in managing it.

As technology continues to evolve rapidly, which trends in AI and cybersecurity do you believe are crucial for scholars and policymakers to closely monitor, and what implications might these have on global security dynamics?

It's really important to study the offense-defense balance in cyber operations. AI has the potential to affect both sides of the equation, and on balance I think it will be better for society if we can nudge it towards benefiting the defense. I'm optimistic that AI can help make our systems more secure, including critical infrastructure, and help simplify and solve some of the vexing cyber policy challenges we face.

SAIS has a rich history of addressing transformative issues in global affairs. How do you plan to leverage your role at SAIS to foster interdisciplinary dialogue and collaboration, and what message would you like to convey to students interested in technology policy?

SAIS has tremendous convening power, and I'm grateful to contribute to that and benefit from it. For students, I'd say technology policy is fascinating because we are, as a society, still discovering answers to important questions—and sometimes still discovering questions themselves. There's nothing better than diving head-first into a field where so much is new and different.



JOHNS HOPKINS
SCHOOL of ADVANCED
INTERNATIONAL STUDIES



Catherine Herrold

Associate Professor, Public Administration and
International Affairs Department
Maxwell School of Citizenship and Public Affairs
Syracuse University

Building Strong Global Connections at the Maxwell School

Catherine Herrold is the author of books and articles that explore the work of community and nongovernmental organizations in fostering democracy and social change in the Middle East and Western Balkans. Herrold spent this past summer as a Fulbright-Hays Faculty Research Fellow in Belgrade, studying grassroots engagement as Serbia roils with mass student-led protests against political corruption. The project, titled “Civil Society Thrives in the Kafana,” is a reference to civic life taking place in the traditional Serbian tavern and other informal spaces.

What endangers today’s global networks and collaborations?

We’ve seen great power competition between the United States, China and Russia. The United States has shifted toward dealmaking rather than cultivating long-term collaboration, while pulling out of multilateral institutions and cutting foreign aid—a trend not limited to the United States alone. We also see declines in trust, the rise of disinformation and surveillance, and growing economic inequality and health disparities. All threaten the stability of longstanding multilateral networks.

What about declines in democracy, as reported by the International Institute for Democracy and Electoral Assistance?

This depends on how we define democracy—most of these statistics are measuring procedural democracy. If we look at more participatory forms of civic engagement that undergird civil democracy, there is reason for optimism. Citizens, whether in the Middle East where I’ve conducted over a decade of research or the Balkans where I’m currently focused, all want political freedom, social justice and equality of economic opportunity. There’s real hunger for these democratic values, even in the face of governmental repression and political corruption.

How has Maxwell stayed relevant amid these trends?

In every threat, I see opportunity. With AI, open data, and open science, we can expand who we’re cooperating with, on issues like climate and health. Maxwell has faculty working in all of these policy arenas. My colleague, Michael Williams, was at this year’s NATO Summit in The Hague. We have diplomats and experts in national security thinking about how the military might build new networks that support democracy. We also have anthropologists, geographers, political scientists, economists, sociologists and public health faculty coming at questions of international affairs through different lenses. And, Maxwell is home to fifteen research centers and institutes where students are involved in grant-supported projects that often result in published data with real-world impact.

What opportunities do students have to engage with global communities?

Faculty bring their external research and connections into the classroom. I had students who were leading Serbian protests come to my classes virtually to speak. The school is home to the Moynihan Institute of Global Affairs, which sponsors seven centers focused on different regions of the world and hosts dozens of culture and conversation tables to foster understanding of international cultures, politics, and challenges and to hear and practice languages. We offer internships in Washington, DC, and overseas, including Strasbourg, where we benefit from a strong partnership with the Council of Europe.

S Syracuse University
Maxwell School of
Citizenship & Public Affairs

Frederick “Fritz” Mayer

Dean and Professor
Josef Korbel School of Global and Public Affairs
University of Denver



Meeting the Moment: How Korbel’s New Name Reflects a Bold Future

The recent name change to the Josef Korbel School of Global and Public Affairs marks an important shift. What drove this decision, and how does it better align with the school’s evolving mission and impact?

The name change better reflects who we are today. Over time, Korbel has evolved into a professional school that prepares students not only to understand global challenges but also to act effectively in real-world contexts. Our work also increasingly engages with both global and domestic issues. With the integration of the public policy program, we have deepened our engagement on national issues and expanded our impact, particularly here in Colorado. We often say we approach every challenge from global to local, and that perspective shapes both our research and our teaching.

The new name simply better describes who we have become.

What do you believe uniquely defines the Korbel experience?

We are in Denver, Colorado, meaning we’re a bit removed from the political fray, which gives us a unique advantage. The biggest is that we’re able to have critical distance from the immediate, day-to-day clatter of what’s happening. There’s a wider aperture, a longer view, and a more reflective, critical perspective.

And while we’re based in Denver, our faculty are very much plugged into what’s happening all around the world. They are engaged teacher-scholars, attuned to the issues of the day in both their research and their teaching. That makes a real difference in preparing our students to hit the ground running when they graduate and equip them with the frameworks they need to think clearly and act effectively in public and international affairs.

Another defining feature is that the faculty really get to know our students. We have small classes and a faculty deeply devoted to teaching and mentoring, and that level of engagement between students and faculty is quite distinctive.

What are the key priorities shaping the school’s next chapter, and how will they position Korbel to meet the challenges of a rapidly changing world?

We are organizing ourselves to meet the moment. As a community, we are deeply engaged in conversations about what our students will need for the challenges ahead. That includes the kind of knowledge they should have about the world, their understanding of politics both globally and at home, and the skills that will be most useful in their careers. We are really examining those questions.

We don’t have all the answers, but we do know that this is a great time to be a student, to be part of these conversations, to make sense of what’s happening, to imagine new paths forward, and to help build the institutions that will address the major challenges ahead. This is a moment of possibility, and Korbel is a place where students are part of shaping what comes next.



**Josef Korbel School of
Global and Public Affairs**

UNIVERSITY OF DENVER



Sina Azodi

Assistant Professor of Middle East Politics
Program Director of M.A. Middle East Studies
Elliott School of International Affairs
The George Washington University

Leading Through Uncertainty at the Elliott School

What are the most pressing security challenges facing the international community today?

The erosion of international norms and lack of adherence to international law are increasingly becoming a norm. Great powers are acting more and more based on the “law of the jungle”—doing as they will while the weak suffer what they must. In the immediate aftermath of the Cold War, there were guardrails that helped to curtail the behavior of great powers, at least on the surface. But, with the emergence of great power competition and the rise of Donald Trump in the United States, those guardrails have lost much of their effectiveness.

What emerging threats should policymakers be most concerned about?

Policymakers should be most concerned about the convergence of emerging technologies—especially AI, biotechnology, and cyber capabilities—which can destabilize the current global security architecture. Governments are increasingly deploying AI and surveillance tools; for example, the U.S. military is developing AI systems to make faster battlefield decisions.

Additionally, the militarization of space and the development of anti-satellite weapons pose serious risks to global communication and surveillance infrastructure. These threats are often ambiguous, fast-moving, and difficult to regulate, making traditional arms control mechanisms less effective. Anticipating and addressing these challenges will require forward-looking governance, interdisciplinary expertise, and international consensus-building.

As an expert on Iran’s nuclear program, what do you think is Iran’s goal in pursuing nuclear arms capacity?

Iran seeks to maintain the option of developing nuclear weapons primarily as a means of deterrence. Leaders of both the Pahlavi monarchy and the Islamic Republic have been deeply convinced that Iran stands isolated and mistrusted in a hostile regional environment. They believe that, if given the opportunity, neighboring countries would

exploit Iran’s vulnerabilities. This strategic anxiety is rooted in historical experience: Iran was invaded three times within a single century—during World War I, World War II, and the Iran-Iraq War—despite its declared neutrality in the first two conflicts. These episodes have reinforced a sobering conclusion among Iranian policymakers: international law and norms cannot guarantee the country’s security and dignity. For a nation that prizes its sovereignty and independence, possessing a nuclear deterrent is seen as a safeguard against external threats and as a means of preserving national honor.

What skills and knowledge do you believe are essential for students pursuing a career in international security policy?

Students pursuing a career in international security policy should build a strong foundation in political science, international relations, and especially history. The ability to draw thoughtful conclusions from historical lessons is key to understanding today’s complex global issues. History may not repeat itself, but it often rhymes—meaning the patterns, decisions, and outcomes of past conflicts can offer valuable insights into current and future security challenges. In addition, strong analytical and critical thinking skills are essential for evaluating threats, interpreting intelligence, and assessing the impact of policy choices. Students of international relations and security policies should focus their attention on why international phenomena happen.

As technology plays a growing role in security, students should also gain familiarity with foundations of new technologies, such as AI and data analysis. Clear communication, both written and verbal, is vital for influencing policy and diplomacy, and cultural awareness is crucial for operating effectively in diverse international contexts.

Elliott School of International Affairs

THE GEORGE WASHINGTON UNIVERSITY

Monica Toft

Professor
Director, Center for Strategic Studies
The Fletcher School at Tufts University



Where Strategy Meets Empathy: Build a Career in Global Conflict Resolution

What are some misunderstood aspects of conflict and peacebuilding?

Although traditional analyses focus on military might and political leverage, conflict and peacebuilding are frequently derailed by three overlooked misconceptions.

First, the origins of war rarely determine how it ends. Belligerent objectives evolve, new actors enter, and battles over resources or identity supplant initial grievances. Peace processes must address the conflict's current dynamics rather than its historical triggers.

Second, victory is inherently relative. While some pursue unconditional surrender, others seek power-sharing, autonomy, or simply a return to normal life. Sustainable settlements must reconcile these divergent definitions of success.

Third, honor and generosity play a powerful role in peacebuilding, allowing participants to save face through compromises and strategic gestures. Amnesties, symbolic acknowledgements, and inclusive governance can transform entrenched hostilities into enduring trust.

Can you describe a recent case study you used in class that gets students thinking?

One particularly engaging exercise centers on the strategy behind continued military support for Ukraine. We frame the discussion as a two-sided game: Ukraine, with limited demographic and economic resources, wants to repel aggression. Its Western backers, led by the United States and the European Union, weigh the costs and risks of deepening involvement.

The debate swings between practical considerations—munitions supply chains, battlefield attrition—and normative imperatives—state sovereignty, the right to self-defense, civilian protection. It sharpens strategic thinking and exposes the moral dilemmas inherent in high-stakes decision-making.

Why is it important to study global conflict right now?

In an era defined by rapid technological change, intensifying great-power competition, and the erosion of long-standing international norms, the study of global conflict has never been more critical.

We are witnessing large-scale conventional warfare in Europe and the Middle East, while sporadic clashes between India and Pakistan highlight the fragility of deterrence and the perpetual risk of escalation.

By studying these dynamics now, we gain insights into how wars start and develop the skills to prevent, mitigate, and resolve conflicts before they spiral into broader catastrophes.

Where do your students go after taking your classes?

Fletcher graduates from my classes go into ministries, international organizations, think tanks, and the private sector. Equipped with a robust grounding in geopolitical risk assessment, conflict mediation, and strategic planning, they become foreign-service officers, corporate risk analysts, NGO program directors, and policy advisors.

By mastering the architecture of security, conflict, and peacebuilding, my students gain a competitive edge, ensuring they can lead effectively whenever—and wherever—global instability emerges.

If a student is curious about international affairs but unsure if Fletcher is “for them,” what would you say?

Fletcher's flexible curricula, hands-on learning practice, and outstanding professional development services offer an unparalleled opportunity for students interested in international affairs careers.

Whether your passion lies in diplomacy, international security, or sustainable development, you can tailor your coursework to build the expertise you need.

If you're looking for a rigorous, collaborative environment where innovative ideas are valued and translated into concrete action, Fletcher is not just “for you”—it is where you will thrive and shape the future of international engagement.

Tufts
UNIVERSITY

f FLETCHER

The graduate school of global affairs at Tufts University



Catherine Ruby, PhD

Assistant Dean of Graduate Enrollment Management
School of Diplomacy and International Relations
Seton Hall University

Careers with Impact: How Seton Hall Equips Professionals for the International Stage

How is Seton Hall preparing professionals for the evolving intersection of homeland and cyber security?

Cyber threats and homeland security challenges are increasingly intertwined in today's complex intelligence landscape, fueling the need for versatile professionals. With an eye to the future of these fields, Seton Hall University's School of Diplomacy and International Relations is launching an online interdisciplinary degree program this fall—the Master of Science in homeland security and cyber resilience—designed to upskill early- to mid-career professionals and help future-proof their careers.

What makes the homeland security and cyber resilience program well-suited to today's professional demands?

Within the thirty-credit program, eight required classes cover topics such as bioterrorism, risk management, national security, and civil defense, drawing from existing law courses and newly developed courses in comparative homeland security, intelligence, and cybersecurity and international relations. Courses are a blend of substantive academic courses and professional skills-focused work. Students will gain an understanding of the legal and policy issues related to both areas. This degree stresses strategic communication, policy analysis, and writing so that students emerge from the program as professionals, ready to work in the private sector as well as in government.

Are there other degree opportunities for mid-career professionals who are interested in working in global security and international affairs?

Yes. The school adds this new master's program to its lineup of executive Master of Science degrees for global-minded professionals looking to advance their careers, which also includes the Executive Master of Science in international affairs, offered in-person or online, and Online Executive Master of Science in international affairs and diplomatic

practice, offered in partnership with the United Nations Institute for Training and Research.

What programs are available for students who are interested in launching careers in diplomacy and international affairs?

The School of Diplomacy has a two year in-person Master of Arts in diplomacy and international relations with options to complete academic specializations based on each student's career and academic interests. The program is known for its experiential learning opportunities, both in New York and in Washington, DC. The School's Office of Internships and Career Development offers professional skills-building sessions along with internship and employment guidance that supports students during the job search.

Are there any standout professional opportunities for graduate students?

Among the professional opportunities available here at Seton Hall is the National Security Graduate Fellowship, led by alumnus Mohamad Mirghahari, a former presidential appointee under the Obama administration and current special advisor to the Department of Defense. Each year, a small research team of graduate students acts as a consulting group for a high-ranking U.S. government agency. The fellowship cohort conducts operational research on the client's foreign policy problem and presents its findings, along with a recommended solution, to officials in the requesting agency. This is just one among the many unique opportunities students have to gain real-world experience in the field of international affairs.



SCHOOL OF DIPLOMACY AND
INTERNATIONAL RELATIONS

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About APSIA

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The World Economy Was Already Broken

But There Is a Better
Way to Fix It

WALLY ADEYEMO AND JOSHUA P. ZOFFER

The world is undergoing a great economic reordering, the third such transformation in the past century. The United States has been at the helm of each one, shaping the global economy in ways that advance U.S. interests. But with each successive shift, Washington has exerted its influence more unilaterally and aggressively, pushing partners away and creating room for adversaries to fill the breach.

The first great reordering came at Bretton Woods, where, in the summer of 1944, the United States used its position of strength following World War II to compel the rest of the world to accept a centrally managed international economic order built around the dollar.

WALLY ADEYEMO is Carnegie Distinguished Fellow at Columbia University's School of International and Public Affairs. From 2021 to 2025, he served as U.S. Deputy Secretary of the Treasury.

JOSHUA P. ZOFFER is a Fellow at Stanford University's Institute for Economic Policy Research and Columbia University's Center on Global Energy Policy. From 2023 to 2024, he served as Special Assistant to the President for Economic Policy.

Harry Dexter White, the U.S. Treasury official viewed by many as the system's principal architect, believed an arrangement based on dollars and backed by gold at a fixed exchange rate would promote peace and prosperity through greater trade. Fixed currency parities would ensure global economic stability. Conveniently, this system would also make the United States the world's economic center of gravity and prevent currency devaluations that could harm American exports. Bretton Woods was multilateral in nature, but it favored the United States.

U.S. President Richard Nixon forced a second reordering when he brought down the central pillar of the Bretton Woods monetary system: the dollar's convertibility into gold. This time, there was no pretense of cooperation. During the weekend retreat at Camp David, in 1971, when Nixon's team arrived at the decision to untether the dollar from gold, Treasury Secretary John Connally dismissed concerns that allies would be furious. "We'll go broke getting their good will," he chided Arthur Burns, the more internationally minded chair of the Federal Reserve. "So the other countries don't like it. So what?"

Still, in the months after breaking the global monetary order, Nixon's team shifted to a more internationalist position. George Shultz, who succeeded Connally as treasury secretary, talked tough in public but was the consummate diplomat behind the scenes. He worked closely with foreign counterparts to negotiate the removal of capital controls around the world, which he believed would further enhance American financial influence. The informal "Library Group" of finance ministers that Shultz convened in the White House library, in April 1973, eventually evolved into the G-7, a cornerstone of international economic diplomacy to this day.

The third reordering of the global economy, underway today, is even more explicitly unilateral. U.S. President Donald Trump's "Liberation Day" tariffs have targeted allies and adversaries alike out of a belief that the United States has unfairly borne the burdens of underwriting the global financial system and acting as the world's policeman. These actions are a body blow to what remains of the postwar global trading rules.

Trump deserves some credit for forcing the world to grapple with the failures of the existing global trade order. Decades of deindustrialization have harmed large swaths of the American workforce and undermined U.S. national security by creating supply chain dependencies on potential adversaries. The World Trade Organization has presided over an era in which countries have showered their export sectors with

subsidies, imposed nontariff barriers with impunity, and implemented protectionist measures that contradict the basic principles on which the WTO was founded. Dissatisfaction with the global economy has made anti-trade policies popular among both Democrats and Republicans and propelled the rise of protectionist political parties around the globe.

Trump is not the first president in recent memory to express concerns about the harms global trade has caused in the United States. Despite his legacy as a free trader, U.S. President Ronald Reagan sought to stem the tide of American deindustrialization with 100 percent tariffs on certain Japanese products and import quotas to protect American industry. Every president since George W. Bush has taken steps to address the flaws of the international trading system around its edges, from Bush's 2002 steel tariffs to Joe Biden's decision to maintain most of Trump's tariffs on China—and impose even greater levies in some cases.

But Trump is the first to attempt sweeping structural change. Unfortunately, his approach undercuts key partnerships the United States needs to shape the global economy and, in its more extreme incarnations that would alter the dollar's role, would cause substantial financial damage. Countries in Europe, Latin America, and Southeast Asia are already exploring new trade arrangements to limit their exposure to the United States. And the first tsunami wave of tariffs announced in April sent shivers through bond markets, leaving the global economy teetering on the brink before Trump's advisers convinced him to temporarily pause most of the new tariffs.

Trump is right that the global trading system needs restructuring, but his proposed cure for global trade imbalances threatens to be worse than the disease. What the United States needs is a new system built on global cooperation that promotes fair trade and strengthens American competitiveness.

TREATING THE SYMPTOMS

Trump has been remarkably consistent over the years about his core economic gripe: the trade deficit. In 1987, he spent nearly \$100,000 to purchase a full-page ad in three U.S. newspapers that said: "It's time for us to end our vast deficits by making Japan, and others who can afford it, pay."

The most serious version of this argument starts from the premise that other countries' industrial policies have generated artificially large surpluses that the United States has no choice but to absorb through

a trade deficit. Because of the dollar's reserve currency status, the argument goes, the United States must serve as the world's buyer of last resort and foot the world's defense bills. This is why the Trump administration views the current global economic order as fundamentally "unfair" to the United States. As the chair of the Council of Economic Advisers, Stephen Miran, has argued, the deficit that Washington runs as a result of its global position has "decimated our manufacturing sector" and driven the decline of the United States' industrial base. In this view, trade deficits are the original sin, and fixing the global economy starts and ends with deficits.

This framing misconstrues the true nature of the distortions roiling the global economic system. It also fails to account for the fiscal choices driving the United States' structural budget imbalance. Trade deficits and deindustrialization are symptoms, not causes. The underlying problem with the global trade and financial systems is their failure to prevent unfair practices that undercut the United States' ability to compete on a level playing field. Other countries, most notably China, offer massive industrial subsidies, overproduce exports, and disregard labor rules and environmental concerns. As a result, the United States is not manufacturing products even in sectors in which it has a true comparative advantage, especially high-tech products, contributing to the broader atrophy of the industrial base.

That does not mean the United States should try to manufacture everything. American manufacturers are unlikely to dominate the global markets for T-shirts and running shoes. But the United States could be a leading producer of advanced manufactured goods, such as sophisticated electronics and medical devices, if everyone had to play by the same set of rules.

In recent years, corporate tax havens have also created trade distortions that harm American competitiveness by encouraging companies to move both manufacturing and high-value intellectual property away from the United States to low-tax jurisdictions. Ireland is now the third-largest exporter of digital services in the world—in large part because of American-invented intellectual property. The way Apple operates highlights the problems with today's global trading system: the company innovates and designs its technology in the United States, manufactures it in China, and reaps the profits in Ireland. In 2018, the International Monetary Fund (IMF) calculated that one-quarter of Irish GDP growth could be attributed to global iPhone sales, thanks

to royalties paid to Apple's Irish subsidiaries, which own the relevant intellectual property. While shareholders in companies that move manufacturing to China and intellectual property to Ireland reap the rewards, the United States' industrial and tax bases lose out.

These challenges must be addressed, but an approach to trade that neglects allies is unlikely to succeed. As Kurt Campbell and Rush Doshi recently argued in these pages, China's economy is massive in terms of workforce, manufacturing capacity, and even the scope of its industrial policies. The United States needs allies to counterbalance China's economic weight—and it is the only country that can build a coalition in response to China's anticompetitive behavior.

The European Union, the G-7, and others share American concerns about China's industrial policies and economic distortions on goods ranging from electric vehicles to steel. China's steel production generates vast amounts of carbon pollution, and the country operates with lower labor standards than advanced industrial economies in Europe and the United States. As tariffs hamper China's ability to export to the United States, more of Beijing's excess manufactured goods are washing up on the shores of Europe, Southeast Asia, and other global markets, threatening their domestic industries. The only effective way to prevent China from gaming the global trading system is to work with like-minded countries to put in place tariff and nontariff barriers to address China's trade distortions.

Dismissing allies and claiming total victimhood when it comes to global trade also overlooks the benefits that the United States has gained from the dollar's outsize role in the global economy. The dollar is on one side of nearly 90 percent of foreign exchange transactions and more than half of all global payments sent via SWIFT, the financial messaging platform used for much of the world's trade. Americans enjoy greater purchasing power and a higher standard of living thanks to how this system generates demand for U.S. currency, and American companies benefit because they can import components at a lower cost. The dollar's ubiquity gives the United States an arsenal of financial weapons that no other country can match: companies across the globe abide by U.S. sanctions because they have no other choice in a world in which the dollar is so central to international commerce.

Trump's proposed
cure threatens
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the disease.

The dollar's unique role also affords the United States lower borrowing costs by creating demand for U.S. Treasuries and other American assets. This makes it cheaper to finance everything from defense systems to social welfare programs. But as tariffs, a ballooning deficit, and macroeconomic uncertainty drive foreign investors away, the dollar is weakening—and U.S. borrowing costs are growing alongside rising debt. Now is not the time to cast doubt on the dollar's global role.

NEW RULES OF THE ROAD

The Trump administration is right to focus on manufacturing—the United States needs more of it. But the current debate over the trade deficit overlooks a key element of the U.S. economy: services. Every time someone swipes a credit card with a Mastercard or Visa logo or queries large language models such as ChatGPT or Claude, it is a reminder of U.S. leadership in the global service economy. The U.S. trade surplus in services totaled nearly \$300 billion in 2024, meaning that cutting the trade deficit doesn't need to rely on manufacturing alone.

Expanding manufacturing and strengthening services are not mutually exclusive. As technology rapidly advances, manufacturing and services tend to complement each other. U.S. strength in technological and financial services enables the country to manufacture more advanced hardware. It is both an economic and a national security priority to continue creating high-quality service jobs and promoting services built on U.S. digital infrastructure.

The majority of Americans work in the service sector today. And although there is much to recommend high-quality manufacturing jobs, service industries offer excellent opportunities, too, including in many blue-collar professions. Service providers such as electricians and plumbers make on average \$30 an hour, whereas American textile manufacturers earn an average of only \$16 to \$19 an hour.

Moreover, most of the jobs created by onshoring manufacturing will not be on the factory floor. Much of China's formidable manufacturing advantage stems from robotics, automation, and the early adoption of AI. To compete with China, American factories will also need to be highly automated, especially in advanced manufacturing industries such as semiconductors, automobiles, and medical devices in which the United States is best positioned to compete.

Emphasizing the importance of services does not undercut the case for reindustrialization as a way of creating jobs, but it does mean the

jobs will look different from what many people imagine. The economist Enrico Moretti has found that every manufacturing job created in a given city generates 1.6 jobs in the city's "nontradable"—that is, service—sector. For high-tech manufacturing, the multiplier is even greater: each new manufacturing role produces nearly five new service-sector positions. Reindustrialization can help unlock that multiplier effect.

An industrial policy based entirely on punitive, unilateral tariffs will not promote the sustainable growth of the United States' industrial base. By raising prices without addressing the underlying drivers of trade imbalances, it may even undermine the political case for tackling the flaws in the global trading system.

Unfortunately, the current institutions of global trade—especially the WTO—are not up to the task, either. The WTO has proved incapable of holding China accountable for its anticompetitive policies and has stood by fecklessly as Beijing exports its excess capacity to the rest of the world. The WTO's requirement of consensus to make decisions and the failure of its dispute-resolution mechanism have rendered the organization unable to effectively guide global trade.

The more significant issue with the WTO stems from the faulty assumptions on which it was founded. The creators of the WTO believed that the major players in the global economy would be market-oriented and that the spread of free trade would go hand in hand with the expansion of fair competition rules. With the benefit of hindsight, however, both assumptions have proved false. To combat the harms of deindustrialization, job loss, and supply chain dependencies, countries have increasingly turned away from free trade in favor of aggressive industrial policy.

China has been the major beneficiary of this breakdown of global trade rules. The United States and its allies still hold enough economic leverage to confront Beijing and stem the tide of unfair trade. But if they fail to act soon, China's size and deepening trade relationships—by one count, China is the largest trading partner for 120 countries—will cement a set of anticompetitive global trade norms.

An effective strategy to restore American competitiveness and foster reindustrialization must start with a new set of meaningful global trade rules that target unfair practices and distorted competition. These new trade rules must distinguish countries that abide by high labor and environmental standards and refrain from anticompetitive, beggar-thy-neighbor policies from countries that don't. Think of it as a fair-trade customs union.

This fair-trade customs union would be built around a set of high standards needed to maintain fair competition. Only countries that upheld ambitious labor standards and environmental rules, the rule of law, and market-oriented regulations would be eligible for full membership. In exchange for membership, states would agree to refrain from pursuing anticompetitive policies such as offering widespread industrial subsidies, undercutting one another on corporate taxation, and dumping excess goods in foreign markets.

Nonmembers that upheld relatively high standards would be subject to meaningful but nonprohibitive trade barriers—perhaps tariffs of up to five percent—to incentivize them to join the union without imposing disproportionate costs. Countries that failed to meet these standards, however, would face significant penalties on trade between themselves and any member of the union. These consequences would protect the industrial bases of countries within the fair-trade union from being overwhelmed by cheap goods flowing from nonmarket economies. The goal would be to create a large common market among like-minded countries, which would enable them to take advantage of one another's markets and comparative advantages while excluding countries that insisted on breaking the rules and undercutting the standards needed for fair competition.

Any market economies that are members of the WTO could seek to join if they were willing to apply the fair-trade union's rules and uphold its standards in their domestic markets. Decisions regarding the substance of these rules and standards, how to admit new members, and whether a current member should be expelled for noncompliance would be made on a majority basis, perhaps using a weighted voting formula like that of the IMF or World Bank based on GDP and other factors. The WTO's universal consensus mechanism has failed; a more flexible system is needed to allow rules to evolve over time alongside changes in the global economy. Although the biggest economies, especially the United States, would have more voting power in this arrangement, they would still need to work with other members to implement major changes.

The rules of the fair-trade union would also include a limited set of carve-outs for national security. Members could apply higher tariffs and offer industrial subsidies to support the domestic production of goods considered critical to their national security, such as semiconductors and missile systems. To avoid spiraling subsidies and overproduction, countries would be encouraged to coordinate and build symbiotic

supply chains that further reinforced trade complementarities among member states. Even when national security necessitated the use of protectionist measures, the overarching goal of the union would still be to facilitate market competition based on innovation, cost, and quality.

To be sure, such carve-outs would create challenging borderline cases for goods such as steel that are relevant to national security but are also commonly used for other purposes. In these cases, union members would have to work together to decide how to classify goods. Ideally, union members would agree that as long as they could rely on supplies from one another, they could avoid exercising their carve-out privileges and would let markets function.

The union would also sponsor the development of a new data architecture to better track trade flows and enforce trade rules. Today's trade data is woefully inadequate for the complexities of modern trade. In some cases, it lacks the granularity needed to distinguish between different types of critical goods, such as semiconductors and batteries. It also does a poor job of capturing the globalized nature of supply chains, in which inputs can be manufactured in a variety of countries, collected and assembled into a partially finished good in others, and then shipped elsewhere for final assembly. Member countries of a new customs union would need to invest in systems to collect the detailed data that would allow the union to apply differential tariffs, enforce its rules, and prevent countries from avoiding penalties through the transshipment of goods through lower-tariff jurisdictions.

In addition, the union would need to develop a set of rules to prevent corporations from taking advantage of tax havens and depriving governments of the revenue they need to function. The global minimum tax agreement proposed by the Organization for Economic Cooperation and Development and endorsed by the Biden administration is a good model. It sets a minimum corporate tax level and allows countries to apply additional taxes on corporations that operate within their borders but domicile in jurisdictions with lower rates. Under these rules, if a company wants to do business with members of the fair-trade union, it needs to pay its fair share—regardless of where it files its articles of incorporation.

A RISING TIDE

Although this fair-trade union is at odds with Trump's current approach of tariff threats and bilateral trade deals, it aligns with many of the administration's overall trade goals. And the evidence suggests that

elements of the union could attract bipartisan support, whether picked up by the president or pursued by his successors. Robert Lighthizer, the U.S. trade representative in Trump's first term, has proposed a trade regime that would use high external tariffs and lower, frequently adjusted internal tariffs to achieve balanced trade among member countries. Michael Pettis, an economist popular among Trump's trade team, has suggested a similar idea based on the proposal John Maynard Keynes put forward at the Bretton Woods Conference before Harry

Dexter White got the better of him.

The United States needs allies to counterbalance China's economic weight.

Despite the risks of Trump's current approach, his attacks on the existing trade order have opened a window during which structural change may be possible. The third great reordering of the global economy is an opportunity to imagine what a better trade system could look like. A new fair-trade customs union that built on American strengths and used cooper-

ative leverage to promote true market competition would reverse the trend toward unilateralism and address the roots of the United States' trade imbalances. If Trump continues to pursue tariffs at all costs and does not reverse course, the opportunity will fall to the next set of political leaders, Democratic or Republican, to pursue this kind of solution.

Fixing global trade requires pressuring countries that do not want to play by market rules. But the long-term vision of a fair-trade union is not to divide the global economy forever. Instead, the goal is to expand to incorporate new members as more countries understand the benefits of playing by the rules and the costs of losing market access to a substantial share of the global economy if they do not. To ensure that the new union maintains its teeth, membership should be conditional on evidence that countries have already met a high bar. The lesson of China's accession to the WTO is that real change must precede market access, not the other way around.

The size of the U.S. market and Washington's willingness to establish and maintain a system that provides certainty and predictability to its partners are critical to getting other countries to participate. As other large economies joined, this incentive would only grow. Mature economies in Europe and North America would gain from being part of a coalition with the collective might to stand up to China. Emerging economies would benefit from access to an economic bloc

representing a sizable share, if not the majority, of the global economy. Traditionally, these economies worked their way up the global value chain by manufacturing cheap commodity goods such as clothing and toys before moving to basic electronics and eventually to high-end, advanced products. But China's strategy of large-scale subsidies to businesses, massive industrial overcapacity, and demand repression is blocking this economic path for many developing countries. With China's export machine flooding emerging markets with goods such as electric cars and telecom equipment, domestic alternatives are crushed before they have a chance to grow.

This customs union would offer emerging economies an alternative: a set of wealthy consumer markets open to accepting their imports provided they follow the union's rules. Today, countries such as Bangladesh and Vietnam have little reason to risk China's ire by openly aligning themselves with a Western economic bloc. If they committed to upholding fair trade, however, they would immediately be more competitive than China when trading with union member states. A country such as Vietnam, able to trade with key partners in the union without tariff barriers and protected from China's economic leverage, would have a path to evolve from a producer of low-cost goods and a hub for Chinese transshipment to an economy that moves up the value chain.

As more of the global market abided by these rules, the harder it would be to compete outside it. If it succeeded, this economic arrangement would present China with a clear choice: restructure its economy to engage fairly in the world economy or pay higher costs to trade with members of the bloc.

This union would impose some costs on the United States, but far fewer than a policy that raises tariffs on all of the United States' trading partners. Supporting domestic or "friend shored" production among allies and partners would increase costs in the short term, but it would also shift more of the long-term benefits of trade to workers, support middle-class job creation in both manufacturing and services, and enhance the United States' national security.

The global economy is at an inflection point. The tariff spree will likely fizzle, but the underlying need to reform the international trading system will remain. The United States' position in the global economy depends on how leaders take advantage of this moment. It is not too late to seize the reins of the next great economic reordering and steer the world economy toward a system that lives up to the promise of free trade. 🌐

Iran's Dangerous Desperation

What Comes After the 12-Day War

SUZANNE MALONEY

Rarely in modern history has a military offensive been as loudly and persistently foreshadowed as the June 2025 Israeli and American strikes on Iran's nuclear program. For more than three decades, leaders in Tel Aviv and Washington have issued stark warnings about the Islamic Republic's nuclear ambitions and activities, and five American presidents have pledged to prevent Tehran from crossing the threshold of nuclear weapons capability.

Despite this forewarning and the signals of imminent preparations, Israel's initial attack on Iran's nuclear infrastructure—capped by a brief but decisive U.S. intervention—still shocked Tehran and much of the world. The element of surprise helped facilitate the stunning success of the operation, which briskly decapitated Iran's military leadership, secured Israeli air superiority over Iranian territory, blunted Iran's

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ability to retaliate, and inflicted substantial damage on the crown jewels of the country's nuclear infrastructure.

The virtuoso execution of the operation and the absence of an effective counterattack by Tehran or its once fearsome network of regional proxies led to another surprise: the rapid denouement to the crisis via an American-imposed cease-fire on the conflict's 12th day. In less than two weeks, the joint U.S.-Israeli effort accomplished what many had thought impossible, delivering an extraordinary setback to Iran's nuclear program without igniting a wider regional conflagration. Tehran's retaliatory missile attacks on Israel, as well as a performative strike on the U.S. airbase in Qatar, were showy but ineffectual. For many in Washington, the result seemed to exorcise the ghosts of failed or frustrated American military interventions in the Middle East over the past four decades.

The remarkable outcome compounded a broader collapse in Tehran's strategic posture that had begun the preceding year, when Israel decimated the regime's most valuable asset—the Lebanese militant group Hezbollah—and Iran's foothold in Syria crumbled alongside Bashar al-Assad's regime. As the June conflict erupted, Iran's ostensible strategic partners in Moscow and Beijing offered nothing more than mild condemnations.

Ever since 1979, when a revolutionary Islamist regime came to power in Tehran, Washington and its allies have sought to restrain Iran. That effort has now reached a milestone: the Islamic Republic is weaker and more isolated than it has been at any point in the past two decades. It is no longer able to impose its will across the region or even to defend its own borders and people. Now that the giant has been wrestled to the ground, there is a temptation to pronounce the mission accomplished. That would be premature: Iran is down but not yet out.

The grave dangers posed by the Islamic Republic persist, and a rolling conflict could transform or even amplify them. Despite grievous losses and the humiliation of its rout at the hands of its foremost adversaries, the revolutionary regime retains a coercive grip on power. Its nuclear infrastructure is wrecked but by no means wholly eradicated. The twin exigencies of vengeance and regime survival may sustain Tehran's violent and destabilizing impulses at home and across the region and extinguish any residual uncertainty about the merits of a nuclear deterrent.

As the writer James Baldwin once remarked, "The most dangerous creation of any society is the man who has nothing to lose." That description might now apply to the men who preside over the ruins of Iran's revolutionary system. With their proxy network degraded, their air defenses

demolished, and their great-power alignments exposed as hollow, the debilitated guardians of the Islamic Republic require new tools to keep the wolves at bay. It is difficult to predict with confidence how factional dynamics will evolve in the aftermath of the regime's humbling; further surprises may be in store. But there can be little doubt that the most powerful set of players in Tehran will seek to reconstitute the remnants of its nuclear program and reassert the regime's dominance over Iranian society.

Even in its humbled state, a recalcitrant Tehran will remain a dangerous actor and a powerful source of instability and uncertainty in the region. In the modern Middle East, a resounding blow against a troublemaker has rarely resulted in conciliation, capitulation, or even durable de-escalation. Any consensus around the shape of a new regional order among the powers left standing—Israel, Saudi Arabia, and Turkey—has been fractured by the war in Gaza and will be further strained by an unresolved conflict with Iran.

Ultimately, by resorting to military force, Israel and the United States may have accelerated the very outcome they sought to forestall: an even more repressive and adversarial Islamic theocracy with a bomb in the basement and a score to settle in its backyard. And U.S. President Donald Trump, who has consistently campaigned against Washington's long, costly interventions in the Middle East, might find his preferred exit strategy reduced to just another operational success that fails to yield a stable political equilibrium.

IRAN'S NEW CALCULUS

Iran's nuclear program originated as a civil energy project in the 1970s by the U.S.-aligned, prestige-obsessed Pahlavi monarchy, despite American misgivings about the potential for proliferation. After the 1979 revolution, Iran's new rulers saw the program as a vestige of Western influence and largely shuttered it. But some nuclear research continued, and after the fledgling theocracy was invaded by Saddam Hussein's Iraq in 1980 and became enmeshed in a brutal war of attrition, investment in nuclear infrastructure reemerged as a convenient source of cheap energy, power projection, and deterrence against future hostilities.

Over the next four decades, the Islamic Republic assembled an industrial-scale nuclear program that steadily came to define the regime's identity and its tormented relationship with Western powers. Iran's post-revolutionary nuclear pursuits initially emphasized technological self-sufficiency and domestic capabilities, but by the late 1990s, they had

expanded to include an extensive clandestine effort to acquire weapons capability. With a front-row seat to the 1981 Israeli attack that partially destroyed Iraq's Osirak nuclear reactor, Iran's leadership was acutely sensitive to the risks, and as the George W. Bush administration launched the 2003 U.S. invasion of Iraq, Tehran paused its work on weaponization.

Such caution characterized Tehran's approach from the start. Iranian leaders frequently invoked a religious injunction against the use of weapons of mass destruction that Supreme Leader Ali Khamenei issued in 2003. Nevertheless, as Akbar Hashemi Rafsanjani, who served as Iran's president from 1989 to 1997, acknowledged in 2015, "It never left our mind that if one day we should be threatened and it was imperative, we should be able to go down the other path." After Iran and Israel engaged in direct attacks on each other in April 2024 and then again in October of that year, even relatively pragmatic voices within the ruling system began to publicly dangle the possibility of a nuclear breakout. "If an existential threat arises, Iran will modify its nuclear doctrine," former Foreign Minister Kamal Kharrazi insisted in November 2024. "We have the capability to build weapons and have no issue in this regard."

In the wake of the joint U.S.-Israeli assault in June, an atomic insurance policy may become exponentially more desirable for the Islamic Republic. Iran's leadership could now double down on its nuclear bet by attempting to salvage the wreckage and launch an all-out effort to acquire a weapon—but more quietly this time. Its ability to do so would depend on the state of Iran's nuclear infrastructure, which suffered extensive damage. The Israeli strikes also eliminated a key cadre of nuclear scientists who designed and oversaw the program. Although the extent of the damage is still being assessed, initial readouts from the International Atomic Energy Agency (IAEA) and from independent experts suggest that Iran's enrichment capability has been heavily degraded or even fully incapacitated. Still, some experts have suggested that Tehran could recoup and rebuild its losses over months or a few years and that core components, such as its stockpiles of enriched uranium, and centrifuges that were not installed at the time of the attack, may have survived the strikes and could be redirected toward a crash program to develop a nuclear weapon within a year.

Iranian efforts to reconstitute its nuclear program would happen without any formal oversight and in contravention of the country's

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only option.

continuing official commitments under the Nuclear Nonproliferation Treaty. During the brief life of the Joint Comprehensive Plan of Action, the nuclear deal Iran struck with the United States and other powers in 2015, Iranian leaders offered some transparency in exchange for being allowed to preserve the program and obtaining relief from crippling international economic sanctions. But after Trump withdrew the United States from the deal in 2018, Tehran began gradually but steadily renegeing on its end of the bargain, including by limiting access to some safeguarded facilities.

After the recent attacks, Iranian politicians and commentators suggested that the country's earlier cooperation with the IAEA allowed Israel and the United States to gather targeting data. The Iranian parliament suspended cooperation with the agency, prompting the agency to hastily remove its remaining inspectors from Iran, for their own protection. For the near term or even longer, there will be no one to provide independent verification of the status of Iran's nuclear program.

In the past, Iran relied on caution and transparency to protect its nuclear investment and, by extension, the survival of its regime. The June attacks have likely flipped the script; in the wake of the attacks, Tehran may be prepared to assume greater risk to maintain its nuclear options and to ensure that the pursuit remains concealed from the world. This shift is compounded by the erosion of the forward defense that Iran's proxy network used to provide. With Israel's success in neutralizing Hezbollah and the toppling of Iran's ally in Syria, Iranian leaders may conclude that the nuclear option is their only option.

RALLY ROUND THE FLAG

Tehran's approach to its nuclear program will be shaped by how its domestic politics evolve in the aftermath of the Israeli and American strikes. Iranian leaders are acutely sensitive to the possibility of internal instability. The news outlets that serve as regime mouthpieces have cast the outcome of the 12-day war as a victory: the ruling system held firm and lived to fight another day. The initial fallout from the conflict has reinforced the regime's grip, and its leaders are applying tactics they have honed during prior crises to ensure stability in what they expect to be an even more volatile time ahead. Anticipating further hostilities, the regime preemptively cracked down on critical voices. Dissidents, including Narges Mohammadi, who was awarded the Nobel Peace Prize in 2023, have been threatened; hundreds of others have been detained, including

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on espionage charges; and Iran's hard-line judiciary is fast-tracking trials for accused collaborators with Israel. Around half a million Afghans who had taken refuge in Iran in the course of the long war in their country were forced to repatriate under duress as the hunt for Israeli collaborators accelerated a deportation campaign that began earlier in the year.

Although U.S. officials insisted that the strikes were not intended to precipitate regime change, the Israeli game plan may have been more ambitious. *The Washington Post* reported that senior Iranian officials had received anonymous phone calls in Persian that encouraged them to abandon the regime or risk death. *The Tehran Times*, an English-language news outlet published in Iran, reported that Israel had botched a broader attempt to decapitate the regime by killing Iran's president, the speaker of the parliament, and a host of other officials.

Instead of toppling or disabling the current regime, the Israeli strikes appear to have stirred Iranians' enduring attachment to their nation. Although many Iranians are deeply disillusioned with the regime, as evidenced by recurring spasms of public dissent, a widespread yearning for a better future and more responsible leaders coexists alongside a deep well of nationalism and resentment toward foreign antagonists. The absence of any political movement or charismatic figure to mobilize an inchoate opposition leaves the Islamic Republic as the only game in town.

Although the conflict was brief, the bombardment spanned 27 of the country's 31 provinces and was intense, disruptive, and terrifying for Iranians. Thousands of residents fled Tehran after Trump issued a middle-of-the-night evacuation demand via social media. Communities came together in solidarity to help their fellow citizens. In some cases, symbolic Israeli strikes backfired. For instance, an attack on the notorious Evin prison in Tehran, where many political dissidents are detained, was presumably intended to embolden regime critics. Instead, it sparked popular outrage, including from prominent opposition figures, because the victims included the family members and lawyers of inmates.

Regime officials took solace in the popular response. As the veteran government official and negotiator Ali Larijani boasted in a lengthy interview with an Iranian news outlet, "Contrary to the enemy's expectation of internal division and rift, the Iranian nation, regardless of political affiliations, showed unparalleled unity. Even some opponents of the government stood behind Iran." The current leadership is experienced at stoking nationalist sentiments, just as it did during the Iran-Iraq War in the 1980s. Shortly after the 12-day war concluded, Khamenei emerged

from his bunker to lead a solemn religious ceremony. The event began with a rendition of “Ey Iran,” a pre-revolutionary patriotic anthem, with its lyrics modified to incorporate religious motifs. A mute Khamenei presided, appearing dazed or overwhelmed, before a raucous crowd.

Khamenei’s public absence throughout the conflict and his raspy speech in its aftermath have prompted speculation about his health and the theocracy’s continuity of leadership. His presence at the helm is fading, and the mandarins of the system may use the crisis as a dress rehearsal to secure the passing of the torch to the next generation when the transition finally occurs. As the jockeying for influence intensifies, the recent round of attacks will reinforce the symbiotic relationship between the regime’s clerical power structure and the military. Their teamwork in navigating the war and the uncertainty following it is meant to signal to the regime’s internal and external opponents that the system will endure under pressure and prevent any challengers. This will likely dampen the prospects for significant political change after Khamenei’s death.

TALL GRASS

To its historic rivals, a weakened Iran might seem like a tantalizing prospect. For Israelis, it represents a signal achievement against their most tenacious and lethal adversary. For Prime Minister Benjamin Netanyahu, eroding the advantage that Tehran appeared to have gained in the aftermath of the October 7 attacks in 2023 vindicates his enduring obsession with the Iranian threat; together with the setbacks he has inflicted on Hezbollah and Hamas, this has allowed for a dramatic rehabilitation of his political standing at home. After years of debate and an increasing American reluctance to use military force in the Middle East, the willingness of the United States to join the campaign against Iran provided the Israelis with a welcome reassurance that Washington remains prepared to take risks to achieve strategic aims.

But the aftermath of the strikes presents new uncertainties for Israel. Unlike Trump, Israeli leaders are under no illusion that Iran’s nuclear program has been “obliterated”; they fully anticipate that Tehran will seek to reconstitute its capabilities and are prepared to continue the campaign to ensure that Iran cannot succeed. The relative ease with which Israel accomplished its objectives in June may lead it to embark on a semipermanent operation to “mow the grass,” aimed at continuously degrading its adversaries’ capabilities, as Israel has done over

many years in Lebanon and Syria. Those campaigns continue to this day, and Israelis point to their success in contributing to the hobbling of Hezbollah and the demise of the Assad regime in Syria.

Still, the prospect of a long-lasting military campaign to degrade Iran's nuclear capabilities will face significant obstacles, especially concerning any U.S. role. Trump has staked his political career on skepticism of sustained military engagements in the Middle East, and according to NBC News, he rejected a plan proposed by his own military commanders that could have ensured more lasting damage to Iran's nuclear ambitions. Israelis recognize that their ability to follow up on their military success faces constraints, especially the high cost and limited supply of interceptors for the country's missile defenses, which are necessary to protect Israel from Iranian assaults. This shortage informed Washington's calculus in demanding a cease-fire after a mere 12 days.

Munitions and budgets are not simply issues for Israel; the high demand for interceptor missiles and for U.S. military assets that were shifted to the region to help defend the Jewish state are straining essential resources Washington needs in other areas, especially Asia. Prolonging the Israel-Iran conflict would come at the expense of the Trump administration's determination to focus on defending U.S. interests in the Indo-Pacific in the face of an increasingly assertive Chinese military.

Tehran's neighbors, meanwhile, look at ongoing military action against Iran and see intolerable risks of instability and escalation. Determined to continue transforming their economies and societies into global hubs of technology, tourism, and trade, the Saudis and other Gulf leaders have sought in recent years to co-opt rather than confront Tehran, calculating that excluding it from the regional order would only invite further Iranian malfeasance.

The Israeli and American strikes on Iran's nuclear program have bolstered this inclination. The Gulf states derive little sense of security from having a wounded colossus on their periphery. Leaders in those countries remember the havoc wreaked by an incipient Islamic Republic that sought to shore up its revolutionary enterprise through acts of terror. They also remember the shadow cast by a defeated but defiant Saddam Hussein over many decades.

Tehran's closing act during the recent war—a barrage of ballistic missiles targeting the U.S. airbase in Qatar—was mostly for show. The Iranians forewarned both the Qataris and the Americans, and the attack did little damage to the hastily emptied facility. But it nevertheless

reinforced the danger that an isolated and embittered Iran could pose to its neighbors. As Anwar Gargash, a diplomatic adviser to the president of the United Arab Emirates, remarked in a conversation published by GEG, a French think tank, “We have seen in many instances that when a nation feels attacked, nationalism rises. We cannot preclude that scenario.” He added, “You cannot reshape the region through belligerent force. You might resolve some issues, but it will create counter issues. We have to look at the history of the Middle East and the lessons of the past 20 years. Using military force is not an instant solution.”

Despite close security cooperation between Israel and the Gulf states, the prospect of an Israeli-dominated order hardly seems conducive to the latter’s aspirations. Israel’s embrace of aggressive preemption across the region promises more disruptions for the ambitious economic plans of Gulf leaders. Netanyahu’s continuation of the war in Gaza, even in the absence of any discernible military objectives, has also impeded the expansion of the Abraham Accords, the U.S.-brokered deals that saw some Arab states normalize their relations with Israel.

Some U.S. officials have come to share this sense of uneasiness about Israel’s strategy. Their concerns were heightened by Israel’s attack on Syria in July, when it struck a Defense Ministry building and a site near the presidential palace. After the Assad regime collapsed in late 2024, Washington and its regional allies embraced Syria’s new government, even though its leaders had previously aligned with al-Qaeda. The Gulf states and the Trump administration see Damascus as a potential anchor for a regional security order grounded in Arab sovereignty. For its part, Turkey is heavily invested, both strategically and economically, in the new government in Damascus, and views Israel’s actions in Syria as deliberately destabilizing. Intensified sectarian violence in Syria, together with Israeli efforts to undermine the new government, could stir a new and potentially even more dangerous rivalry between Israel and Turkey and provide Tehran an opening to revive its influence in Syria and its transnational network of proxy militias.

WORTH A SHOT

The erosion of Iranian power resolves a long-standing challenge but also opens up a new set of risks to regional stability. One thing is certain: Washington is unlikely to take full ownership of managing this precarious new balance of power in the Middle East. Trump has a long track record of critiquing his predecessors’ costly entanglements in the

Middle East. He can now tout his successful intervention and rapid exit from the Iran conflict as expiating the sins of his predecessors. “He’s no Jimmy Carter,” an unnamed Trump administration official crowed to Axios after the U.S. strikes in June. In remarks at the White House, Trump himself invoked Carter’s 1980 hostage rescue operation that ended in disaster; he reveled in the comparison and celebrated the success of his airstrikes. “China, Russia, they were all watching,” Trump noted. “Everybody was watching. We have the greatest equipment anywhere in the world. We have the greatest people anywhere in the world, and we have the strongest military anywhere in the world.”

Despite the superlatives, the Iranian nuclear program has not been eliminated. Achieving that goal conclusively will require either diplomacy or regime change, and only the former is within reach. Trump has always insisted that he can negotiate a better deal than the 2015 Joint Comprehensive Plan of Action; based on his public commentary, he seems prepared to consider more normal diplomatic and economic relations with Tehran. Even if he were snubbed, the act of making such an offer could provide a powerful opportunity to highlight the divide between the aspirations of Iran’s current leadership and those of its citizens.

Devising a new diplomatic framework for managing the Iran nuclear crisis will not be easy. Iran’s foreign minister, Abbas Araghchi, has left the door open to talks while emphasizing that the strikes make the pathway to any agreement much more difficult. Iranian officials resent the fact that a previously scheduled round of negotiations was used to lull them into complacency in advance of Israel’s surprise attack, and some have signaled that confidence-building measures would be necessary to persuade Tehran to come back to the table.

Washington’s partners in Europe stepped up during the Biden administration and, in the face of American reluctance, advocated for the IAEA to censure Tehran for not cooperating with the agency’s inspections and refusing to answer questions about its nuclear work. European countries can play a useful role now, too, by triggering the so-called snapback clause of the Joint Comprehensive Plan of Action, to which they and Iran are still technically parties. The clause is one of the fail-safe mechanisms built into the 2015 nuclear deal; if activated by a party to the deal, it would reimpose a raft of UN economic sanctions on Iran. Still, Iran’s distrust of Western countries and the endurance of the regime under dire circumstances mean that even this tool will have limited efficacy in terms of constraining an intractable Iranian leadership.

Diplomacy is not a solution in and of itself, but a concerted effort to draw Tehran into a meaningful dialogue about the future of its nuclear program would buy time, widen inevitable divergences within the Iranian regime, and enhance transparency around the facilities and systems that would facilitate any Iranian nuclear breakout. A new regional order is beginning to emerge in which Iran and its proxies no longer occupy central stage. Although the June war was executed brilliantly, preventing an Iranian bomb requires more than a robust set of targets. And a revolutionary regime cannot be permanently subdued by force.

Iranian leaders have little reason to trust American inducements to dialogue, but Trump may be able to use his disdain for politics as usual to change the narrative. His willingness to intervene on behalf of the Israeli military operation in Iran gives him unique credibility and room to maneuver. Before the June war, U.S. and Iranian negotiators were discussing creative ideas for navigating the question of uranium enrichment, a central sticking point throughout the decades of contention and negotiation over Iran's nuclear activities. Several of the reported proposals, such as a regional enrichment consortium outside Iranian territory as well as foreign investment in civilian nuclear energy facilities, could provide an off-ramp for this impasse, especially if paired with sanctions relief. Any deal would also need to place restrictions on Iran's missile development and allow inspectors unfettered access to verify Iranian compliance.

Such provisions would prove difficult for Iranian officials to stomach, despite the toll of the war. To reinforce the credibility of any proposals, Trump should continue to highlight his desire to see a brighter future for Iran and a different relationship between the two countries. Even if it doesn't succeed, an invitation by the United States for a new diplomatic and economic relationship with Tehran could sow the seeds of a strategic splintering of the regime at a time of crisis.

With Iranian power and influence waning, and with the challenges of an ascendant China and a recalcitrant Russia necessarily dominating the American national security agenda, indifference may appear to be the most appealing option for Washington. This would be a mistake. The world stands on the precipice of a dangerous era of nuclear proliferation that risks expanding the geography of catastrophic risk. It is essential to devise a diplomatic pathway that reimposes transparency on Iran's nuclear enterprise and creates a way to escape the escalatory storm that lurks just below the surface of the uneasy postwar calm. 🌐

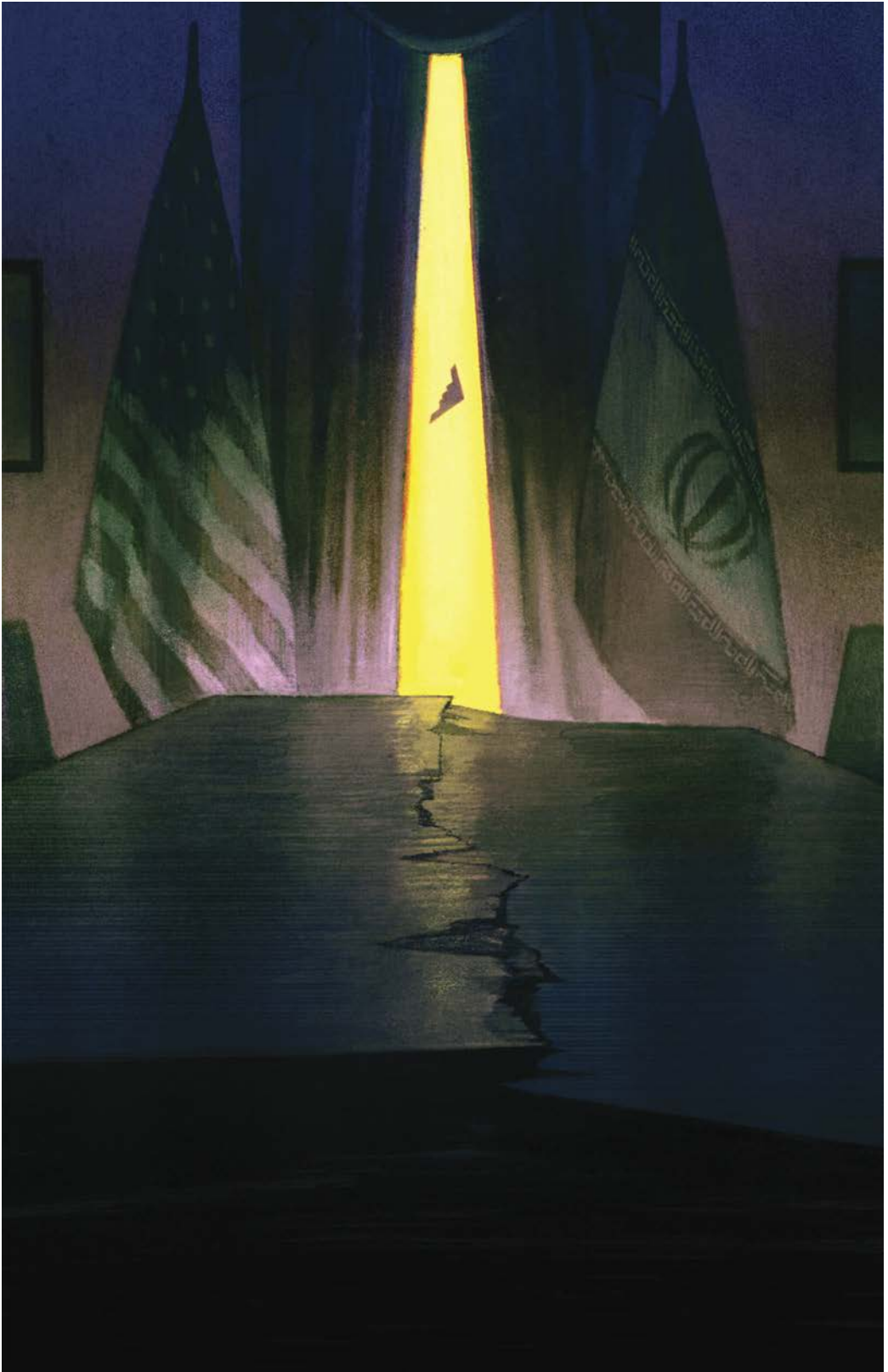
Iran's Roads Not Taken

Tehran, Washington, and the Failures That Led to War

VALI NASR

The 12-day war in June, which saw the United States join Israel in bombing Iran, was the culmination of four decades of mistrust, antipathy, and confrontation. Since its inception in 1979, the Islamic Republic has not wavered in its anti-Americanism, and the United States has unfailingly responded by exerting greater pressure on Iran. The two have come close to outright conflict before. In 1987 and 1988, the United States destroyed offshore oil platforms and Iranian naval vessels and then mistakenly shot down an Iranian passenger plane. Iran interpreted those acts as the opening salvos of an undeclared war. Washington's attention, however, soon turned to Iraq and the Gulf War. But the hostility between Iran and the United States persisted and has only become more pronounced in the decades that have followed the 9/11 attacks. The 2020 killing of the Iranian general Qasem Soleimani, after

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a spate of Iranian provocations in the region, brought the two countries to the precipice. U.S. President Donald Trump pushed hostilities over the edge this year when the United States struck three Iranian nuclear sites with dozens of cruise missiles and 30,000-pound bombs.

Tehran and Washington seem to be implacable foes. The revolutionary regime in Iran has long cast the United States as its archenemy, the Great Satan that undermined the country's independence by backing a military coup in 1953 and the authoritarian excesses of the monarchy that followed. In 1979, the revolution's leaders worried that the United States would continue to interfere in Iran and stymie the great transformation underway. To prevent that outcome, the Islamic Republic decided that the United States should be extricated not just from Iran but from the broader Middle East. These assumptions set Tehran's foreign policy on a collision course with Washington. Iran has supported states and militant groups around the region with the aim of threatening the United States and its Israeli and Arab allies. In turn, the United States has pursued a strategy of containment and pressure that has included U.S.-led regional alliances, U.S. military bases, and a tight noose of sanctions suffocating Iran's economy. Finally, this year, that strategy widened to include overt American strikes on Iranian territory.

Many observers perceive this history as a single, unbroken thread of conflict and hostility stretching from 1979 to the present. And yet today's hostility was not inevitable. More peaceful paths were possible, and indeed, with the right decisions in Tehran and Washington, Iran and the United States could still find ways to lower tensions and even normalize their relations. On several occasions in the twenty-first century alone, Iran and the United States had the opportunity to climb down from their mutual hostility. At each juncture, however, American or Iranian policymakers chose to foreclose those possible openings. But that history of missed chances does not condemn the two countries to a future of ever-deeper conflict. Instead, it offers a reminder that even today, Iran and the United States may yet be able to reconcile.

The 12-day war has demonstrably weakened Iran. Tehran's strategy is no longer sustainable in the wake of the battering that it has suffered. In this moment, Washington could continue boxing Iran into a corner and allow Israel to occasionally "mow the grass," striking Iranian nuclear and military targets to keep punishing the country and block any progress toward building a bomb. Or it could see the aftermath of the 12-day war as an opportunity to engage in that fitful American pastime when

it comes to Iran: diplomacy. Now, Washington has the chance to set its relations with Tehran on a different path, to pursue fresh bargains that could change both Iran's foreign and nuclear policies and the balance of power within Iran's ruling establishment. The U.S. and Iranian governments have failed to take those turnings before, but even now, policy-makers should not be fatalistic. The past, no matter how freighted with lost opportunities, need not be prologue.

A FALSE DAWN IN AFGHANISTAN

For at least a little while after 9/11, it seemed possible that relations between Iran and the United States could improve. Both Supreme Leader Ali Khamenei and President Mohammad Khatami condemned the terrorist attacks, and Iranians held candlelit vigils in the streets of major cities and observed moments of silence in soccer stadiums. The strategic interests of Iran and the United States were suddenly aligned. Reeling from the assault, the United States maintained as its most urgent priority the elimination of al-Qaeda. Iran's Shiite clerical regime viewed the Sunni radicalism of al-Qaeda and its hosts, the Taliban, with deep concern. Only three years earlier, in 1998, the Taliban had killed up to 11 Iranian diplomats and journalists in the northern Afghan city of Mazar-e-Sharif, an atrocity that spurred Iran to mobilize troops on its border with Afghanistan. After years of antagonism, Iranian and U.S. officials found that they had some goals in common.

Iran had long backed the Taliban's principal foes, the Northern Alliance. Only days before the 9/11 attacks, al-Qaeda operatives posing as journalists killed Ahmad Shah Masoud, the Northern Alliance's legendary leader, an assassination that signaled an imminent Taliban offensive to wipe out the Northern Alliance once and for all and consolidate control of Afghanistan. Shiite Iran feared the regional ascendance of Sunni radicalism in the form of the puritanical Taliban, an ambitious al-Qaeda, and other militant factions, as well as further instability on its eastern border—Iran was then, and remains now, home to many Afghan refugees. Some estimates in recent years have placed the figure as high as eight million, roughly ten percent of the population.

Through forms of cooperation that seem incredible today, Iran abetted the U.S. invasion of Afghanistan. The Islamic Revolutionary Guard Corps offered intelligence assistance to the United States and provided logistical support, facilitating battlefield coordination with Northern Alliance forces. U.S. diplomats Ryan Crocker and Zalmay Khalilzad attended

meetings with Iranian counterparts and top IRGC officers, including senior commanders, possibly even Soleimani. Just over two months after the 9/11 attacks, the Taliban had been chased out of Kabul and other major cities. The Taliban's so-called emirate in Afghanistan was no more.

Iran had a vested interest in shaping the government that would replace the Taliban. It worked closely with the United States at the Bonn conference in December 2001 that decided the future of Afghanistan. The two countries shared the same goals of crafting a new political order in Afghanistan that would unite and stabilize it through an inclusive democratic government. James Dobbins, who led the U.S. efforts at the conference, later credited his Iranian counterpart, the diplomat Javad Zarif, for building the consensus among all Afghan factions over forging a new constitution and holding democratic elections to form a new government in Kabul. And Zarif in turn credited Soleimani, the Revolutionary Guards commander, for securing compromises from the Northern Alliance to facilitate agreement in Bonn.

In retrospect, this rare collaboration was an opportunity to improve relations between Iran and the United States. Working together in Afghanistan could have served as a significant confidence-building measure, as well as the impetus for the de-escalation of tensions and then potentially even the gradual normalization of relations. Success in Afghanistan could have placed the relationship on a different course.

That did not come to pass. In January 2002, almost immediately after the Bonn conference, Israel intercepted an Iranian arms shipment to Hamas. For Iran, cooperation with the United States in Afghanistan did not constitute a reorientation of Iranian strategy that would apply to all aspects of Iran's regional policy. What happened in Afghanistan was just a tentative opening that had yet to fully bear fruit; Tehran would not so quickly reverse its Middle East policy, and it would still build up its proxies. U.S. President George W. Bush signaled outrage and alarm. He then decided against using the opening in Afghanistan to embrace Iran and gently push for change in its regional policy. Instead, he cast Iran as an implacable enemy and dispensed with the goodwill generated by developments in Afghanistan. In his State of the Union address in January 2002, Bush famously included Iran among the members of the "axis of evil."

Fresh from what seemed a swift and sure victory in Afghanistan, a buoyant Washington devoted its energies to the prosecution of the so-called war on terror. And in that war, Iran could only be a target, not an ally; its cooperation in Afghanistan no longer counted for much.

After all, as many U.S. officials believed, Islamist ideology became a global phenomenon because of the success of Iran's revolution in 1979 (never mind that the Iranian regime's resolute Shiism separated it from the Sunni militancy of groups such as al-Qaeda). Islamism, according to this view, would not be defeated until the Islamic Republic had been toppled. After the U.S. invasion of Iraq, in March 2003, many Iranians feared that it was only a matter of time before American forces came for them. In the words of Hassan Kazemi Qomi, Iran's first ambassador to Baghdad following the U.S. invasion and the fall of Iraq's ruler Saddam Hussein, "After Iraq was Iran's turn." So Iran tried to placate the United States. In May 2003, Khatami, the country's reformist president, sent Washington a proposal for talks and a road map to resolve "all outstanding issues between the two countries," including, notably, Iran's nascent nuclear program and its broader policy in the Middle East. The White House did not even acknowledge receiving the offer.

The rebuff led the Islamic Republic to harden its positions and prepare itself for conflict. In stark contrast to the U.S. invasion of Afghanistan, the U.S. invasion of Iraq produced no opening with Iran, but rather placed the two countries at odds. With good reason, given the number of Bush administration officials who viewed Tehran as a grave threat, Iran believed it had to protect itself. In the chaos that followed the fall of Saddam, Iran possibly partnered with Syria to deepen the quagmire that the United States now faced in Iraq. The Sunni insurgency, supported by Syria, and the Shiite militias, supported by Iran, battled U.S. forces. As violence consumed Iraq, the American project there was doomed to failure.

Iranian leaders thus averted what they feared most: a triumphant U.S. military in Iraq continuing its campaign east into Iran. But American views of Iran only grew darker. Iran, for its part, concluded that it could best manage the American threat by bogging down U.S. resources in various theaters around the Middle East. Exhausted by protracted conflict, the United States would grow weary of the region and not seek war with Iran. Washington's decision to pull forces out of Iraq in 2011 seemed to vindicate this line of Iranian thinking. The more U.S. officials talked of leaving the region, the more Iran saw wisdom in its strategy.

This strategy also had the effect of transforming the balance of power within Iran. The security forces at the forefront of the fight against

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Washington gained control of Iran's foreign policy. In the crucible of Iraq, the Quds Force, the expeditionary division of the IRGC that oversees unconventional military and intelligence operations, grew from one of its smallest units into an expansive regional force that would dominate Iran's foreign policy decision-making. The Quds Force commanders, Soleimani and his deputy Esmail Qaani, had worked with U.S. counterparts in Afghanistan in 2001. During the Iraq war, they would turn the force into a military network to battle the United States across the Middle East.

BREAKOUT OR BREAKTHROUGH?

The false dawn in relations with the United States after the 9/11 attacks convinced Iranian leaders that Washington would never be willing to accommodate revolutionary Iran. Tehran understood U.S. policies, including the building of military bases in Afghanistan, the Persian Gulf, and Central Asia and the strengthening of sanctions on the Iranian economy, as all aimed at engineering regime change in Tehran. In the immediate aftermath of the Iraq war, Iran's rulers surmised that they had to resist and deter the United States through enacting aggressive regional policies, building a nuclear program, and strengthening Iran's drone and missile capabilities. The country's economy, state institutions, and politics had to be organized in the service of that resistance.

Another revelation had further poisoned the well: Iran's desire to acquire nuclear weapons. Its nuclear program had come to light as the United States was preparing for the Iraq war. At the time, after the inclusion of Iran in the "axis of evil," U.S.-Iranian relations were already on a downward slope. The discovery of a clandestine nuclear program only increased the prospect of conflict. Iran assumed that the United States would make this nuclear program a *casus belli*, as it had in its justification of the invasion of Iraq. Washington, for its part, did not want a member of the "axis of evil" to acquire nuclear capabilities. But by the end of the Bush administration in 2009, U.S. officials had grown disinterested in military solutions to their Iran problem as the United States continued to founder in Iraq. Diplomacy, not war, would have to contain Iranian nuclear ambitions. And so opened another opportunity for Iran and the United States to edge away from conflict toward a more peaceful relationship.

The United States could have taken this path sooner. In 2003, France, Germany, and the United Kingdom negotiated a deal with

Iran that would have halted the growth of its still small nuclear program in exchange for sanctions relief. The Bush administration forced the deal to collapse in 2004, insisting that Iran give up the entirety of its nuclear program and offering no concessions in return.

In hindsight, the veto proved a mistake. Unconstrained, Iran's nuclear program continued to expand as the anti-American bombast and Holocaust denial of the new Iranian president, Mahmoud Ahmadinejad, made diplomacy much more difficult. Tehran also grew further convinced that Washington was not interested in meaningful diplomatic engagement, even on the nuclear issue. Iran's chief nuclear negotiator in 2003, Hassan Rouhani, would try his hand at nuclear diplomacy when he became president in 2013, after he succeeded Ahmadinejad. But in 2004, he and other Iranian leaders concluded that the United States had so swiftly dismissed the European-negotiated deal because Iran's program was too small to be worthy of American diplomacy and concessions. Iran would need a much bigger program to compel the United States to the negotiating table. That presumption undergirded Iranian activities during the Obama, first Trump, and Biden administrations. And at each turn, failure to forge a lasting nuclear deal would only encourage Iran to expand its program even more.

Had Washington supported the European effort, Iran's nuclear program would likely have remained small, and the deal itself might have had transformative consequences. It could have led Tehran to fear Washington less, and as a result, Iran would then have behaved differently in Iraq and not so readily courted American enmity. Instead, the U.S. veto further convinced Tehran that its reading of American intentions was correct. Washington would be impressed only by might. To deter the United States, Iran had to both build a larger nuclear program and widen its asymmetric warfare in Iraq and beyond.

Iran was right to assume that a larger nuclear program would change Washington's calculations. By 2011, Iran's program had grown significantly, and although estimates vary, it was still not close to the breakout stage. That failed to reassure Israel. Spooked by the pace of Iran's progress, Israel threatened to attack Iran to prevent it from getting any closer to a bomb. But the last thing the Obama administration wanted was entanglement in another Middle Eastern war. It determined that the only way to stop Iran from becoming a nuclear power was through diplomacy.

President Barack Obama paved the way for negotiations by first increasing economic sanctions on Iran in 2010 but then adopting

a different tone, making it clear to Tehran that Washington was not seeking regime change. Obama understood that sweeping ultimatums and coercion would not get Iran to dispense with its nuclear program. The United States thus agreed to negotiate limits on Iran's program in exchange for sanctions relief.

For their part, Iran's rulers were conflicted about Obama's offer. The IRGC and its political allies were skeptical that the Obama administration would differ much from its predecessor. They thought diplomacy

**Nuclear
diplomacy should
be the floor, not
the ceiling, of the
relationship.**

would not yield meaningful results but would signal weakness and divert attention from the threat that the United States posed to Iran. But a moderate faction, led by Rouhani, who became president in 2013, argued that successful diplomacy with the United States would lower tensions, ease pressure on Iran's economy, and reset relations between the two countries. This faction hoped that diplomacy would

yield the positive outcomes that had eluded Iran in its prior attempts at rapprochement with the United States: its cooperation in Afghanistan in 2001, its offer of talks in 2003, and the nuclear deal signed with Europe in 2003 but scotched after Washington refused to go along with it.

Two years of intense talks followed among Iran, China, Russia, the United States, and the three European powers that had negotiated the prior deal. They culminated in the 2015 Joint Comprehensive Plan of Action. In exchange for sanctions relief, the JCPOA placed strict limits on the scope of Iran's nuclear activities for at least a decade and subjected those activities to stringent international inspections. There has been much debate since on whether the deal effectively curbed Iran's nuclear ambitions and whether the United States could have made sterner demands on Iran at the negotiating table—a doubt echoed in Tehran by the deal's detractors there who believed that Iran had given too much away in exchange for too little. But the deal did roll back Iran's program, and in 11 separate reports, the United Nations' nuclear watchdog agency, the International Atomic Energy Agency, attested to Iran's compliance with the terms of the JCPOA. The JCPOA was significant in another important way: it represented a breakthrough in U.S.-Iranian relations. After decades of hostility, the United States and Iran had finally concluded a deal and, at least as far as Iran was concerned, successfully implemented it.

The JCPOA was a major accomplishment in trust building. Had it lasted, the deal could have served as the basis for subsequent agreements on Iran's nuclear and missile programs and its regional policies. The relaxation of sanctions on the Iranian economy could have changed political dynamics within Tehran by strengthening the hand of moderate factions reliant on middle-class votes and weakening the influence of conservatives and hard-liners in foreign policy decisions. In time, relations between Iran and the United States could have moved toward greater normalization.

And yet the deal did not deliver the widening thaw that some of its proponents hoped for. Agreeing to the JCPOA did not immediately change Iran's broader strategy. The IRGC and its political allies in the parliament and in powerful parastatal economic and political institutions thought that despite the diplomatic breakthrough, there was no evidence of fundamental change in U.S.-Iranian relations. The United States still posed an urgent threat and had made no effort to change that perception. Hard-liners in Tehran pointed to the furious domestic opposition to the JCPOA in the United States as proof that U.S. policy toward Iran would remain unchanged. In the months following the signing of the deal, Washington dragged its feet in lifting sanctions on Tehran, and that steadily soured the mood in Iran. Iranian hard-liners argued that it had all been a ruse to strip Iran of its nuclear assets, making it vulnerable to U.S.-backed regime change. Iran should therefore continue with those regional policies—such as its commitment to supporting the Bashar al-Assad regime in Syria, the Houthi rebellion in Yemen, Hezbollah in Lebanon, and various militias in Iraq—that since 2003 had been indispensable in deterring American aggression.

The convulsions of the Arab Spring further complicated Iran's calculus. Tehran saw the popular unrest that swept across the Arab world as a new opportunity to expand its regional footprint. That opportunity came with new dangers. The fall of Assad in Syria, an Iranian ally, would have been a significant strategic loss. It would have isolated and weakened Iran's Lebanese proxy Hezbollah. A resurgent Sunni government in Syria backed by Western powers and other Arab powers could have rolled back Iran's gains in Iraq, too. Iran sensed that the United States was trying to hack off the tentacles of the octopus—before chopping off its head in Tehran. Iran's rulers, particularly the IRGC and its political allies, concluded that the real aim of American efforts to topple Assad was the end of the Islamic Republic. The IRGC

would resist that outcome at all costs. As its commander in charge in Syria put it, “What we lose in losing Syria exceeds what we have at stake in Iraq, Lebanon, and Yemen.” Iran thus forcefully intervened in Syria to save Assad starting in 2011, and in the same year also threw its full support behind Houthi forces in Yemen that had gained the upper hand in civil war there.

Tehran, in effect, chose a precarious balancing act: it shrank its nuclear program but protected and expanded its regional footprint in confrontation with the United States and its Arab allies, notably Saudi Arabia and the United Arab Emirates. Those allies saw little benefit in the nuclear deal but had much to fear from Iran’s regional power play. They wanted the United States to focus on containing Iran’s regional influence rather than just the country’s nuclear program. They joined hands with Israel, which also opposed U.S. diplomacy with Iran, to lobby against the JCPOA in Washington almost as soon as the deal was signed in 2015. These efforts were rewarded when Trump formally removed the United States from the JCPOA in 2018.

Iran’s foreign policy between 2014 and 2018 was deeply conflicted. In the words of Zarif, the foreign minister during that period, Iran was paralyzed by a struggle between diplomacy and the battlefield—the latter being his euphemism for the IRGC and its regional strategy—and it suffered for “favoring the battlefield over diplomacy.” For its part, U.S. policy fixated on the actions of the Revolutionary Guards rather than on what nuclear diplomacy had just achieved. Washington did not consider then the possibility of using success at the negotiating table as the basis for influencing Tehran’s regional posture. It succumbed to the idea that the JCPOA was insufficient because it had not encompassed Iran’s regional policies. Rather than abandon diplomacy to punish Iran for its regional behavior, the United States could have held on to its diplomatic gains even as it pushed back against Iran’s regional policies. In other words, it could have stayed in the JCPOA and used that leverage to pursue a further deal that would have curtailed Iranian aggression in the region.

If the United States had followed this path, Iran’s nuclear program would have remained limited by the parameters established by the JCPOA; even after Israeli and American bombing, Iran’s nuclear program is probably much closer to breakout than it was in the past decade, at least in terms of know-how and the ability to rebuild an advanced program. The longer the deal had stayed in effect, the more trust it

would have built between Iran and the United States, which Washington could then have used to influence Tehran's regional behavior.

A successful nuclear deal could have lowered Iranian perceptions of a threat from the United States. That, in turn, would have allowed Iran to roll back its troublesome regional activities and even discuss limits on its missile program. The economic gains that would have come with remaining in the JCPOA would have convinced Iran to comply with the deal and not use the cover of diplomacy for further provocations. Despite frustration in Tehran with the slow pace of sanctions relief, Iran did not cause the JCPOA to collapse. The United States did. That remains the most significant lost opportunity for repairing relations between the two countries.

A FATEFUL WITHDRAWAL

The disintegration of the JCPOA drastically escalated tensions between Tehran and Washington. After scrapping the deal, Trump imposed intense sanctions on Iran as part of a campaign of "maximum pressure." The stated aim of that campaign was to force Iran back to the negotiating table. But Iran perceived Trump's ploy as nothing short of a bid to bring about regime change by strangling the country's economy and degrading its state institutions to encourage popular rebellion. Iran responded by vigorously resuming nuclear activity, enriching uranium beyond levels allowed by the JCPOA. It also took more aggressive actions across the Middle East in 2019, starting with an attack on oil tankers in the waters of the United Arab Emirates in May, then the downing of a U.S. drone in June, and then an attack on oil facilities in Saudi Arabia in September. This escalation of violence spurred a seismic event: Trump ordered the killing of Soleimani, the Quds Force commander, in January 2020, while the general was in Iraq. His death outraged Iranians. The Islamic Republic retaliated by striking a military base in Iraq that housed American troops. Iran and the United States then stood on the brink of war. In under five years, the hope of a new opening in relations had given way to open conflict.

The election of Joe Biden as president in 2020 and the return of a Democratic administration in 2021 could have halted the spiraling tensions. During the campaign, Democratic candidates, including Biden, had signaled their willingness to revive the JCPOA. Once in office, however, Biden demurred. Rather than revert to the Obama-era policy, he embraced Trump's position of maximum pressure. The administration

insisted that Iran had to first fulfill all its obligations under the JCPOA, and only then would the United States consider returning to the deal. In the meantime, maximum pressure sanctions would remain in place. The early months of the Biden administration coincided with the tail end of Rouhani's presidency. Rouhani and his team had been architects of the JCPOA and wanted to see it restored. But they did not find a willing partner in Biden. What Tehran saw was continuity; Biden, like his predecessor, wanted regime change in Iran.

The United States did agree to talks with Iran in Vienna in April 2021. But by then, Iran had concluded that there would be no real change in U.S. policy. Iranian leaders announced that the country would start enriching uranium to 60 percent purity. The escalation was alarming because it would bring Iran much closer to breakout. In the face of this threat, the Biden administration changed course to put greater emphasis on talks with Iran, discussing concrete steps that would bring the United States back into the JCPOA and remove sanctions on Iran in exchange for its full compliance with its obligations under the deal. By then, however, the Rouhani presidency was at its end. He was soon to be replaced by a hard-line opponent of the JCPOA, Ebrahim Raisi.

It was in this context that Iran decided to back Russia's full-scale war on Ukraine in 2022. Iran had developed close intelligence and military ties with Russia during the Syrian civil war (Russia also took the side of Assad), but it now saw its strategic partnership with Moscow as vital to surviving determined American efforts to isolate and crush the Islamic Republic. This support for Russia, in turn, alienated Europe and gave Washington even more reason to pressure Tehran. U.S.-Iranian relations thus became entangled with the United States' and Europe's clash with an expansionist Russia. Had the Biden administration concluded a deal with Iran before Russia attacked Ukraine, Tehran would have seen too much at stake in its relations with Europe to contemplate helping Russia in Ukraine. But since Biden was not willing to break with Trump's policy to restore the deal agreed to by Obama, Iran decided it needed to strengthen its ties with Russia, and that in turn made the job of diplomacy all the more difficult. Both Iran and the United States trusted the other even less than before, and Washington had to contend with a more intractable Tehran. Indirect talks between Iran, the United States, and other JCPOA signatories could not produce a breakthrough. The Biden administration would not guarantee that a deal would last, since any agreement could be undone after a change of government,

and the hard-liners at the helm in Tehran were unwilling to risk another U.S. withdrawal from a negotiated deal.

FROM THE RUBBLE

In the subsequent years, Iran's regional position has unraveled significantly. After the Hamas attacks on Israel in October 2023, Israel has systematically pummeled Iranian proxies in the region, doing serious damage to Hamas in Gaza and defanging Hezbollah in Lebanon. The collapse of Assad's regime, in December 2024, left Iran without one of its most useful regional allies and raised the prospect of the emergence of an anti-Iranian, Sunni-led Syria. In 2024 and 2025, Israeli forces struck deep into Iranian territory, exposing huge intelligence vulnerabilities in Iran's security establishment as well as the Islamic Republic's relative inability to hurt Israel with its arsenal of missiles and drones. And yet even after the devastation unleashed on Iran's nuclear sites by Trump, much remains unknown about the state of the Iranian nuclear program and the possibility that Iranian leaders, bludgeoned into a corner, could still scramble to develop a bomb.

If Trump does not want Iran to follow the example of North Korea and become a nuclear state—and does not want to continue to go to war with Iran to prevent that outcome—then his administration must look for a diplomatic solution. Iran, likewise, does not want war with the United States, and it cannot quickly or easily build an arsenal of nuclear weapons to deter Israeli and U.S. attacks. Tehran has little choice but to take diplomacy seriously. Iran and the United States have been at similar junctures before, picking between confrontation and compromise. The two countries should embrace diplomacy not only to conclude an urgent deal on Iran's nuclear capabilities but also to build trust and chart a new course for their relations. Nuclear diplomacy should be just the beginning—the floor, not the ceiling, of the relationship.

The Trump administration believes that the 12-day war has inflicted enough punishment on Iran to force true soul-searching among Iranian leaders. But if Tehran is to arrive at the right conclusions—and feel able to relinquish its nuclear ambitions and its aggressive regional policy—then it must see diplomacy as a credible path to realizing gains that have thus far eluded it. As unlikely as it may seem, Trump's bombing campaign could lead to a breakthrough, but only if both countries can put their history of missteps behind them and approach diplomacy with vision and patience. 🌐

China Is Winning the Cyberwar

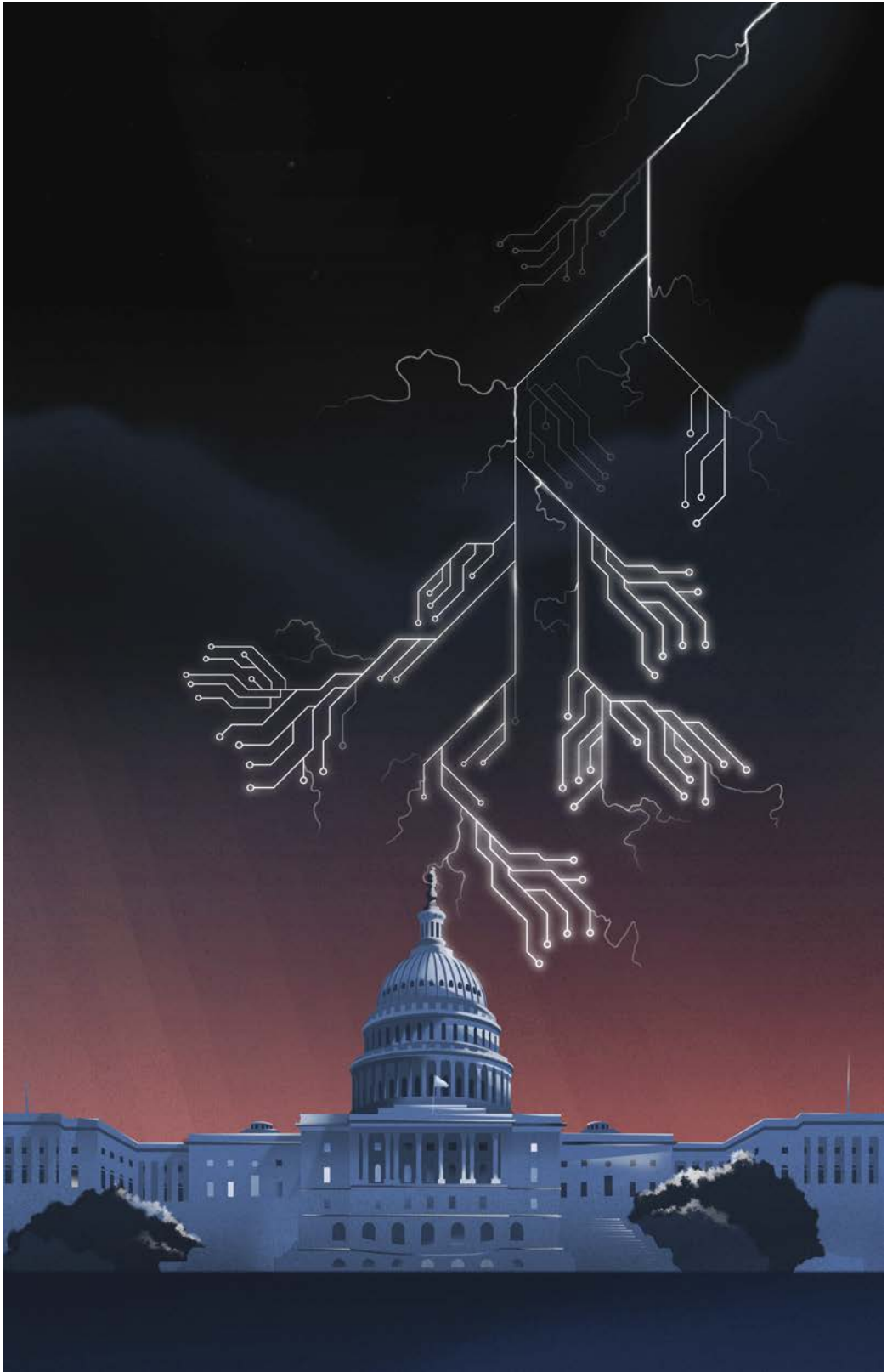
America Needs a New
Strategy of Deterrence

ANNE NEUBERGER



American companies are world leaders in technology—be it innovative software, cloud services, artificial intelligence, or cybersecurity products. Yet beginning as many as three years ago, hackers believed to be backed by the Chinese government did something the United States, the tech powerhouse, could not adequately defend against: they gained and maintained access to major U.S. telecommunications networks, copying conversations and building the ability to track the movements of U.S. intelligence officers and law enforcement agents across the country. The attack, dubbed “Salt Typhoon,” constituted a large part of a global campaign against telecoms, and it penetrated systems at many U.S. carriers so thoroughly that officials will almost certainly never

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know the full scope of the capabilities China achieved to spy on Americans' communications.

Salt Typhoon was more than a one-off intelligence success for China. It reflected a deeper, troubling reality. Mere decades after the widespread adoption of the Internet opened a new realm of geopolitical contestation, China is positioning itself to dominate the digital battle space. The United States has fallen behind, failing to secure a vast digital home front—and the physical assets that depend on it.

Traditional
diplomacy is
a weak tool
to manage
cyberwarfare.

Because cyberspace has no borders, the U.S. homeland is always in the fight. Every hospital, power grid, pipeline, water treatment plant, and telecommunications system is on the frontlines, and most of the United States' critical infrastructure is unready for battle.

China's cyber dominance extends well beyond telecommunications espionage. Chinese malware has been discovered embedded in U.S. energy, water, pipeline, and transportation systems. These intrusions show little evidence of traditional intelligence gathering. Instead, they appear to be designed for sabotage, preparing China to disrupt both Americans' daily lives and U.S. military operations. During a future crisis, China could use these pre-positioned capacities to delay military mobilizations, impede air traffic control systems, or cause cascading power outages. Even barring an outright attack, their existence could deter the United States by raising the specter of disruption at home.

The Salt Typhoon attack was able to secure such wide-ranging access in part because of the fundamental asymmetry between the authoritarian approach Beijing takes to its cyberdefense and Washington's more democratic perspective. American values forbid the kind of comprehensive monitoring that undergirds China's cyberdefense and frees Beijing to pursue offensive operations with less fear of retaliation. And myriad private actors manage the United States' critical infrastructure, with minimal government oversight or hands-on assistance. Their levels of investment in cybersecurity are variable, driven by commercial bottom lines. That means that when cyberattackers are found, it is hard to prove that they have been removed from networks or systems. Even when their removal appears certain, it is likely they will return.

Chinese operations now pose the largest challenge to the United States' cyberdefense, but it isn't the only one. Vulnerabilities in U.S.

infrastructure networks have made them attractive targets to other adversarial countries as well as to criminals. In the past several years, Russia and Iran have disrupted the operations of U.S. water systems in multiple states, and hackers mostly based in Russia have played havoc with the workings of hundreds of American hospitals. Washington can—and must—do much more to protect the United States' critical infrastructure and deter Chinese attacks. The artificial intelligence revolution will only exacerbate the United States' disadvantages unless policymakers urgently develop a new approach.

Washington must establish a new cyber-deterrence policy built on the principle that robust cyberdefense enables credible cyberoffense. Artificial intelligence offers the key to making this new deterrence policy feasible. The United States should leverage its AI expertise by mounting a national effort to use AI to model its sprawling network of critical infrastructure, identify the most important vulnerabilities, and fix them. Washington must also ensure that it has the offensive cyber-capabilities to deter China. And it must make its messaging about cyberattacks more coherent, clarifying that pre-positioning in specific kinds of infrastructure constitutes a redline and carefully signaling its capacity to retaliate.

By developing AI-powered defenses and investing more tactically in offensive capabilities, the United States can transform an inadequate cyber strategy into proactive deterrence. The U.S. government must convey the message to China that it remains committed to defending American lives. It can do so only by finding and securing the most sensitive vulnerabilities in the digital infrastructure on which Americans rely.

SECRET WEAPON

Salt Typhoon was a sophisticated, multistage operation. To gain administrator access to telecommunications networks, the attackers exploited flaws in U.S. telecom companies' cybersecurity products—such as firewalls—and used passwords stolen in unrelated hacks. Once inside, the hackers installed malware and hijacked legitimate processes and programs to maintain control. The attackers then used computers, servers, routers, and other devices they had compromised to move across different companies' networks and find the most rewarding spying positions.

The roots of China's cyber advantages lie in structural differences between authoritarian and democratic forms of governance. When cyberattacks emerged with the advent of the Internet, both China and the United States faced similar vulnerabilities. But China has systematically

built up its cyberdefenses while the United States has struggled to balance securing its cyberspace with its attention to civil liberties.

The Internet's explosive growth in the 1990s worried Beijing. The Chinese government feared the Internet's potential to enable free expression and, as is natural for an authoritarian regime, opted to restrict it. Beginning in the late 1990s, Beijing deployed an array of technologies and laws to censor online speech and block websites and applications developed in the West.

Outside observers still often describe this so-called Great Firewall as a domestic censorship project. But having accomplished that task, the Chinese government discovered that its creation had another powerful function. As well as screening for subversive speech, the Great Firewall's technologies can identify malicious code before it reaches critical systems, providing Beijing with tools to defend against cyberattacks. As a consequence, Chinese water treatment plants, power grids, telecommunications networks, and other critical systems operate with layers of protection that most U.S. systems lack. If foreign hackers attempt to penetrate Chinese infrastructure, they may encounter not only their target's specific defenses but the Chinese government's integrated monitoring capabilities.

The United States, meanwhile, faced the opposite dynamic. Unlike in China, where critical infrastructure operates under direct state control, American systems are owned by thousands of private companies with varying cybersecurity capabilities and threat awareness. A small-town water treatment plant in Ohio, for example, operates with the cyber-protections it can afford—which often means vulnerable software, default passwords, and outdated systems that are easily hacked.

And the U.S. government is legally prohibited from monitoring many of these companies' networks for threats without their explicit consent, to avoid transgressing the constitutional ban on governmental "search and seizure" of private communications. So the United States came to rely on a patchwork approach to digitally securing its most crucial infrastructure: companies that own and operate America's most sensitive systems, such as power grids, are responsible for securing them with limited government oversight.

LITTLE GREEN BOTS

This gap in defense enabled China to develop offensive capabilities with less fear of retaliation. Beijing invested heavily in offensive cyber-capabilities, establishing programs that now rival Washington's



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in both sophistication and scale. China has integrated these capabilities into its broader military doctrine of “active defense,” or the principle that the best defense involves striking first to prevent enemy action.

China and the United States first engaged diplomatically on cyber-espionage in 2015, when U.S. President Barack Obama and Chinese President Xi Jinping brokered an agreement proscribing the theft of intellectual property by hackers for commercial gain, but China soon breached the agreement. The first Trump administration, which took over in 2017, favored taking enforcement actions over engaging diplomatically: for instance, in March 2018, it released indictments and sanctions against hackers linked to Beijing who had stolen proprietary data from U.S. companies and government agencies.

After President Joe Biden took office in 2021, his administration initiated regular high-level diplomatic engagement with China to manage the strategic competition between the two great powers, including in cyberspace. For instance, Biden extracted a promise from Xi that China would not interfere in the 2024 U.S. elections. But the Biden administration also realized that China’s offensive cyber-campaigns were intensifying.

In 2023, for example, Chinese state-sponsored hackers exploited a flaw in Microsoft’s cloud services to breach high-level officials’ email accounts. The Biden administration regularly declassified intelligence and gave escalating public warnings that China’s cyber-activities were expanding from espionage to potential sabotage: in January 2024, FBI Director Christopher Wray testified to a House committee that hackers linked to the Chinese government were targeting critical U.S. infrastructure and preparing to cause “real-world harm” to Americans.

China’s cyber-operations have become a clear threat to U.S. national security. Consider the scope of China’s pre-positioning. Intrusions have been discovered in water infrastructure, power grids, and other critical systems across the American mainland. These attacks follow a consistent pattern: the intruders gain administrative access to supervisory control systems, establish the capacity to maintain that access over time, and then remain dormant while keeping the ability to activate malicious code on command.

The targets reveal strategic thinking. Water treatment plants serve essential civilian needs while also supporting military installations. Power grids enable everything from hospital operations to ammunition production. Telecommunications networks support both civilian communications and military command systems. By pre-positioning

cyberattack tools in these dual-use systems, China is readying itself to impose significant civilian costs while degrading the U.S. military's effectiveness.

During a crisis over Taiwan, for instance, these capabilities could prove decisive. Imagine the dilemma facing American leaders if China could credibly threaten to delay military mobilization by disrupting U.S. rail networks or to trigger power failures across the Eastern Seaboard. Beijing need not actually execute such attacks. The mere possibility could alter U.S. decision-making by raising the domestic political costs of an overseas intervention.

China's pre-positioning also serves tactical military objectives. U.S. military bases depend on surrounding civilian infrastructure for power, water, and communications. By threatening these systems, China could impede U.S. military mobilization without directly attacking military targets—avoiding the clear escalation that bombing American bases would represent. Similarly, disrupting seaports and airports could delay reinforcement deployments to the Pacific while appearing to target civilian infrastructure with nonlethal tactics.

Chinese military theorists explicitly embrace this logic, describing offensive cyber-operations as a form of “strategic deterrence.” More than most conventional forms of deterrence, cyber-operations offer plausible deniability. China can threaten civilian infrastructure while maintaining that any disruptions might result from the targeted country's own system failures rather than a deliberate attack. Indeed, the Chinese government has consistently denied that it was behind Salt Typhoon or the malware discovered in U.S. infrastructure.

DOUBLE VISION

That deniability has made traditional diplomacy a weak tool to manage cyberwarfare. The United States cannot rely on direct negotiations. It must turn urgently to bolstering its defenses. The Biden administration used emergency authorities to impose new minimum cybersecurity requirements on pipelines, rail systems, airports, and water utilities, overcoming decades of bipartisan resistance to mandating private-sector security standards. These requirements did drive improvements in basic protections. And they allowed government regulators such as the Transportation Security Administration, which regulates pipelines, to periodically inspect infrastructure owners' cyberdefenses and offer guidance.

Although this represented an important step, even these enhanced requirements cannot match Beijing's direct monitoring of equivalent networks in China. Biden mandated that U.S. pipelines, water systems, rail networks, and health-care industry firms report cyber-incidents to the government, but only after they occur; Chinese authorities can monitor their systems in real time to prevent incidents from occurring in the first place. New cybersecurity mandates on U.S. water utilities, meanwhile, were paused after several states challenged their legality, leaving this sector exposed.

Cyber-operations do resemble conventional warfare—airstrikes, naval battles, or ground combat—in that they involve both offense and defense. The United States deters conventional threats through superior military power, but it completely lacks that dominance in cyberspace, where defense and offense are inextricably linked. Currently, U.S. presidents face an impossible problem: they cannot make persuasive deterrent threats because they lack enough confidence that U.S. defenses could withstand a potentially escalatory tit-for-tat battle in cyberspace. The United States needs a policy that acknowledges the reality of cyberconflict while aggressively leveraging American technological advantages to restore strategic balance.

First and foremost, Washington must understand the vulnerabilities in its cyberdefenses. In conventional warfare, force-on-force comparisons guide strategy: for instance, the U.S. military runs regular tests and simulations to see whether its defenses can protect against Russia's missile-launch capacities. But the government cannot assess how the United States' critical infrastructure could withstand Chinese cyberattacks because it cannot even see what defenses secure its thousands of privately owned systems.

Artificial intelligence, with its rapidly growing abilities to synthesize a vast amount of data, offers a new opportunity to take on this sprawling problem. Indeed, it can be the key to a new U.S. cyber-deterrence policy—specifically, so-called AI-generated digital twins. A digital twin is a virtual replica of a physical object (such as a wind turbine) or a system (such as a power grid) that uses real-time data and sensors to mirror its real-world counterpart's behavior and performance. These dynamic digital models allow organizations to monitor, analyze, and optimize their physical assets remotely.

Recent advances in AI have turbocharged digital twins' usefulness by dramatically improving their ability to model ever-larger and more

complex entities. Industry is rapidly adopting digital twins to advance product safety—Rolls-Royce, for instance, now operates digital twins of its jet engines to monitor safety and performance. Ford and BMW have created digital twins of manufacturing processes to improve efficiency. And governments are exploring their potential: Singapore, for instance, has created a digital twin as well as test beds for its water and power plants. NATO has used these systems in its annual, large-scale cyberdefense exercise, during which security teams simulated attacking and defending Singaporean infrastructure.

In the United States, a national effort to create digital twins for several hundred of the most sensitive critical infrastructure systems—done with private-sector owners' cooperation and consent—would allow these systems' security teams to safely test dangerous attack scenarios without risking the actual provision of core services. The teams could simulate cyberattacks against various system components within the digital twin to understand which vulnerabilities, if exploited, would cause major disruptions. This information would allow companies to focus their limited resources on fixing the vulnerabilities that pose the greatest threat rather than attempting to address every security flaw equally.

Digital twins could also establish baseline behavioral patterns that help detect anomalies that could indicate cyberattacks. When a water system's digital twin, for instance, suddenly shows unusual valve operations or pressure fluctuations, its security team could quickly identify potential intrusions before they cause physical damage. The potential impact goes beyond individual companies. Virtual replicas of regional power grids could be used to simulate cascading failure scenarios, identifying nodes whose protection would prevent widespread outages. Digital twins of urban water systems could model contamination attacks, suggesting potential technical countermeasures and emergency response procedures. And over time, digital twins would enable the kind of force-on-force comparisons that the national security community routinely conducts in conventional domains. A digital twin of the Hoover Dam's control systems, for example, could simulate attack scenarios, helping its operators develop more precise and sophisticated defenses, as well as ways to recover more quickly if an attack does occur.

Washington must communicate that it will strike if China crosses U.S. redlines.

A national effort to create digital twins of critical national infrastructure could be piloted quickly for the U.S. energy grid by the Department of Energy. The department already possesses models of the grid and could draw on classified insights regarding China's cyberwarfare capabilities, as well as the AI expertise at institutions such as the Lawrence Livermore National Laboratory and Sandia and its close partnerships with U.S. energy firms. The lessons learned while establishing that pilot could then be used to build digital twins for other critical sectors.

Creating comprehensive digital twins will involve substantial technical challenges. It requires a detailed knowledge of infrastructure systems and network data that owners may consider proprietary. It will take time for government AI and intelligence experts to forge new kinds of partnerships with private owners and operators. But the United States needs a bridge between its physical and digital worlds. It cannot and should not simply mimic China's cyber-barriers, which rely on an intrusive surveillance state. Digital twins, however, would give U.S. national security officials a continuous picture of American cyberdefenses and provide decision-makers with real-time assessments of the country's readiness to foil cyberattacks. A future president contemplating a response to Chinese aggression could access complex modeling of how U.S. infrastructure would perform under sustained attack nearly immediately—the kind of tactical intelligence that is sorely lacking today.

SEND A DM

Even AI-enhanced defenses cannot entirely overcome the cyberdefense gap that gives China its structural advantage. Current U.S. law gives infrastructure operators full authority to monitor their networks, and federal legislation adopted in 2015 ensures that these operators are able to share information with their peers and with the federal government to facilitate collaborative defense. Still lacking in some key sectors, however, is any requirement that owners and operators actually monitor their networks. In sectors that have these requirements, regulators need to conduct more consistent oversight to ensure that operators are maintaining their cyberdefenses and collaborating with peers and the federal government.

And defense alone, however sophisticated, cannot fully address China's advantages. True deterrence requires the capacity to continuously undermine an adversary's capabilities and prepare to impose unacceptable costs. The United States must ensure that it builds and maintains offensive cyber-capabilities that can hold at risk targets that

Beijing values—and clearly communicate that it can and will strike if China crosses American redlines. Instead of attempting tit-for-tat intrusions into Chinese civilian infrastructure, the United States could focus on targeting military assets that China depends on during crises, which would conform with international law and may have a greater effect on the Chinese government’s strategy.

Finally, the United States must strengthen its messaging. It must clarify that targeting specific critical civilian infrastructure whose disruption would cause major societal impact, even with pre-positioning attacks, is unacceptable. This would build on the Biden administration’s message to China that cyberattacks with physical impacts would be treated as an act of war. The United States should communicate three core principles: We will attribute attacks to their perpetrators. We are resilient. We will retaliate. Specificity matters for credibility—vague threats invite probing and miscalculation.

The message must be credible and persistent, including enough detail to prove that the United States’ offensive capabilities are real but not enough to let an adversary fix its vulnerabilities. Russia’s decision to use cyberattacks to induce blackouts in Ukraine years before its 2022 full invasion illustrates the danger in signaling cybercapabilities too explicitly: the demonstration convinced Ukraine to significantly improve its power grid defenses.

There are reasons the United States has lagged in bolstering its cyberdefenses—political obstacles as well as technological ones. Congress has shown little appetite for extending the legal authority and sustained investment that comprehensive cyberdefense requires. Private companies resist mandated security requirements that increase costs.

Yet a wait-and-see approach has become unacceptable. If Washington does not move fast, artificial intelligence will only accelerate China’s advantages. The United States possesses the technical capabilities, economic resources, and innovative capacity to reclaim the advantage in the digital battle space. What the United States needs now is the vision and political will to take comprehensive action. Countries all around the world are watching. If the United States succeeds, it can serve as an example of how to achieve the benefits of digitization and a free Internet without compromising its national security. If it fails, the world will also take away a lesson: that democracies are less capable of defending against cyberthreats. And China’s strategy of “active deterrence” will only gain more global power. 🌐

After Xi

The Succession Question Obscuring China's Future— and Unsettling Its Present

TYLER JOST AND DANIEL C. MATTINGLY

For more than a decade, Chinese politics has been defined by one man: Xi Jinping. Since Xi assumed leadership of the Chinese Communist Party in 2012, he has made himself into a strongman ruler. He has remade the CCP elite through a wide-ranging purge and corruption crackdown. He has curbed civil society and suppressed dissent. He has reorganized and modernized the military. And he has reinvigorated the role of the state in the economy.

Xi's rise has also redefined China's relationship with the rest of the world. He has pursued a more muscular foreign policy, including by increasing the tempo of military drills in the Taiwan Strait and overseeing a growing military presence in the South China Sea. He

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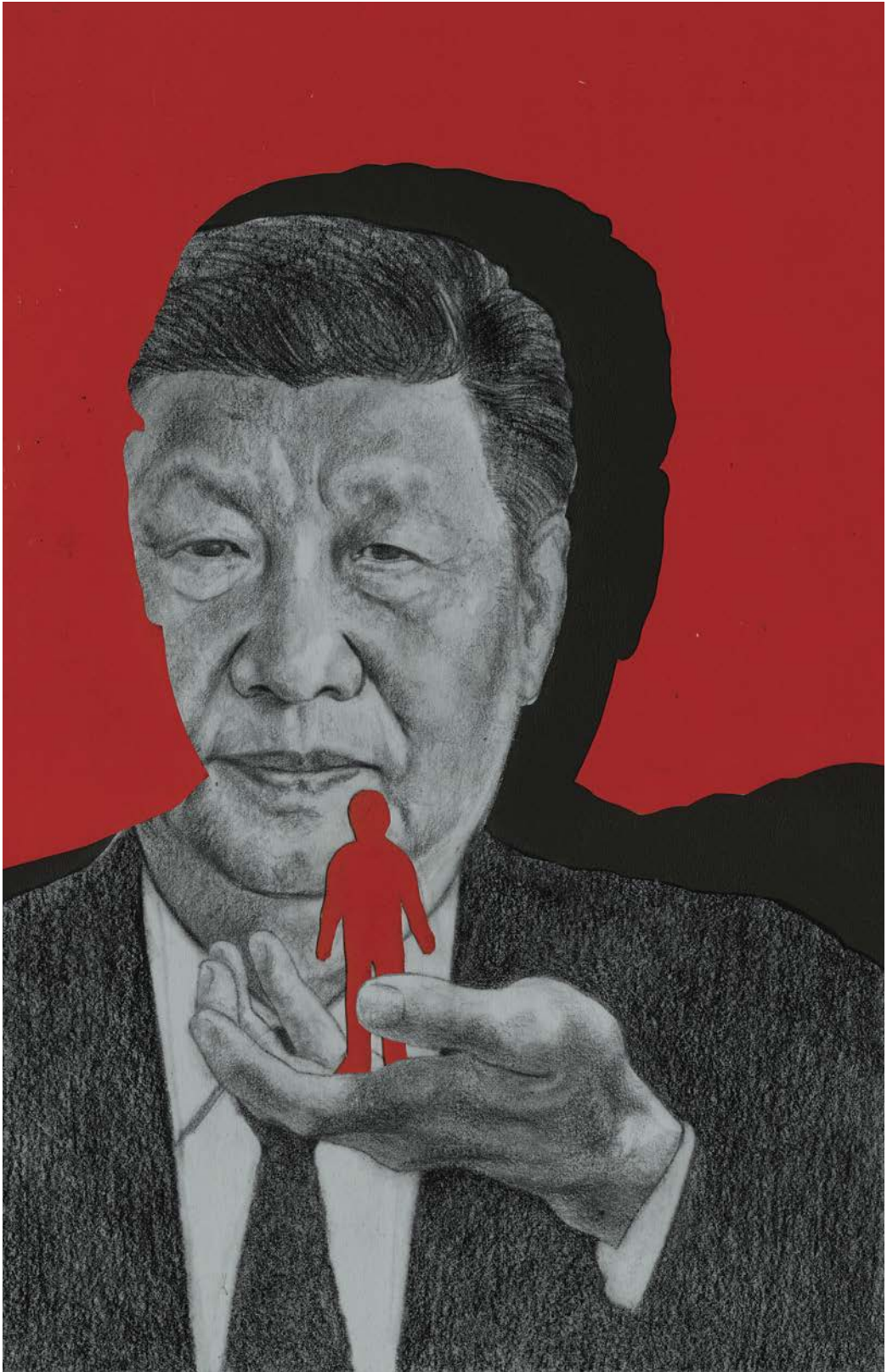


Illustration by Edward Kinsella

has encouraged (and then later reined in) a battalion of “wolf warrior” diplomats who engaged in a harsh war of words with foreign critics. And he has pushed China closer to Russia, even after Russian President Vladimir Putin launched a war in Ukraine. In short, it has been a new era for China. It has been Xi’s era.

Soon, however, everything will start to change. As the CCP elite begins the search for a leader to replace the 72-year-old Xi, China is transitioning from a phase defined by power consolidation to one defined by the question of succession. For any authoritarian regime, political succession is a moment of peril, and for all its strengths, the CCP is no exception. The last time the party dealt with the problem of political succession—when Xi took over from Hu Jintao—rumors swirled in Beijing of coup attempts, failed assassinations, and tanks on the streets. The rumors may have been unfounded, but the political drama at the top was real.

Xi probably has years, perhaps even more than a decade, before he steps down. But the reality is that succession shapes political choices well before leaders finally relinquish control. Chinese rulers, sensitive to their legacies, jostle to install people who will carry on their political agendas. Mao Zedong’s fixation with maintaining China’s revolutionary spirit after his death led to the Cultural Revolution, a mass political campaign that reshuffled the CCP leadership repeatedly during the last decade of Mao’s life.

Xi’s succession is unlikely to be as catastrophic, but the prelude, execution, and aftermath of transitioning power will shape China’s foreign and domestic politics in the coming years. The United States and its allies may be tempted to exploit this internal disruption, but meddling in the process would probably backfire. Instead, they should be mindful of the fact that, in the past, fights over succession have contributed to disastrous Chinese foreign policy choices. The vacuum left by a strongman such as Xi will make succession especially challenging, potentially triggering a scramble for power and a fight over the direction of the country. Such instability in the world’s second-largest economy could ripple beyond China’s borders—particularly as China navigates its tense relationship with Taiwan.

THE MAO MODEL

Since the founding of the People’s Republic of China, in 1949, only one of Xi’s five predecessors stepped aside fully and willingly. Mao,

the strongman founder of communist China, wielded overwhelming power and authority within the party-state apparatus and ruled the country until the day he died. Hua Guofeng, Mao's heir, was able to hold on to power for only a few years before being pushed aside. Deng Xiaoping, the famous architect of China's economic reforms, maintained his grip over the CCP's most important decisions even after relinquishing his formal titles and positions. Until his health declined in the mid-1990s, Deng was said to be the most powerful man in China, even though his only formal title was honorary president of an association of bridge players. The man who succeeded Deng as paramount leader, Jiang Zemin, clung to the important post of military chief despite giving up his position as party leader, undercutting his successor, Hu Jintao. Only Hu gave up power all at once in a relatively orderly succession, to Xi, but that process was tainted by the dramatic downfall of a Xi rival and powerful Politburo member, Bo Xilai.

A struggle over succession is unlikely to stay inside China's borders.

Xi's return to strongman politics means his succession is likely to follow the pattern set by Mao and Deng, both of whom tried to select a successor who would rule as they would. Xi may see the challenge as discerning who among the thousands of cadres in the senior ranks of the CCP holds political beliefs similar to his own. But history also suggests that finding a political doppelganger will be insufficient. Whoever Xi taps will need to survive the cutthroat machinations of those he passes over. A new political game will begin the moment that Xi begins to step aside: Will those who remain inside the halls of political power support the new leader? Or will they resist the agenda that the new leader champions, undermine his authority, or conspire to remove him?

Here, Hua Guofeng's story is revealing. Mao selected Hua in 1976, when Mao's health was failing. The problem for Hua was that he was a cadre of middling status and influence within the CCP: someone whom Mao and his allies could control, and not a figure who could survive a political knife fight. Mao had written Hua a note that read, "With you in charge, I am at ease." But even Mao's word was not enough to keep Hua in power. In the end, he needed the military's backing.

On the night of September 8, 1976, as Mao hovered near death, senior members of the Politburo gathered in a sickroom in the leadership compound in Beijing to pay their final respects. The chairman was

no longer able to speak. Instead, he raised a frail hand and reached out to one visitor—Marshal Ye Jianying, one of the country's most venerated military figures. Claspings Ye's hand, Mao's lips moved faintly, and Ye later told his colleagues that Mao instructed him to back Hua as his designated heir.

Mao's choice to single out Ye, as opposed to the other civilian elites who would survive him, was intentional. Hua had little experience in national politics or with the military brass. When Hua's enemies came for him, Ye and those with similar military credentials would have to decide whether to stand by him or abandon him. The head of the Chinese military was, as the sociologist Ezra Vogel has observed, the CCP's *de facto* "kingmaker."

Ye initially stood by Hua during the first assault on his leadership, which was launched immediately after Mao's death by Mao's wife and three radical compatriots known as the Gang of Four. With the support of Ye and other top military leaders, People's Liberation Army troops arrested the gang. This ensured that Hua would hold on to power, but only as long as the PLA supported him. Just two years later, when Deng orchestrated a second challenge to Hua's leadership, Ye and other military commanders sided with Deng, who had extensive social connections and personal rapport with senior military officers.

Xi will have multiple ways to credential his successor, but as the story of Mao's troubled succession suggests, no facet of his successor's dossier will be more important than his ties to and rapport with the military. Outside observers tend to downplay the role of the PLA in Chinese politics. After all, the Chinese military has never seized political control, as have armed forces in autocracies such as Argentina and Pakistan. To many, this suggests that modern China has cultivated strong norms of civilian control—such that the party unquestionably "commands the gun," as Mao famously put it.

But the absence of direct military rule belies the quiet power that the PLA wields in China. The reality is that the Chinese military exercises a form of coercive control, shaping interactions among decision-makers. The reason is simple: even though Chinese leaders don't fear a direct challenge from the military, they constantly face that risk from civilian rivals. And in such struggles, the PLA acts as an implicit kingmaker as civilian leaders try to manipulate the levers of control over the military to ensure that they, and not their opponents, have the upper hand. When Deng needed to bolster the standing of

his chosen successors, for instance, he appointed his close ally Admiral Liu Huaqing, the father of the Chinese navy, to the Politburo Standing Committee—an unusually high promotion for a military officer that has not since been replicated.

It is tempting to think that China is so fundamentally different today that the military's latent role in succession is the artifact of a bygone era. In reality, the military remains pivotal in China's elite politics, and control over it will remain a key asset for future political leaders. The military does not pick leaders on its own—Xi was reportedly chosen because he beat Li Keqiang in a straw poll of current and retired civilian and military leaders—but military backing can make a leader immune to civilian challenges. Hu Jintao, for example, was considered politically weak in part because his career trajectory offered comparatively few opportunities to build personal connections to the military. When Hu entered office, he had no ties to the members inside China's apex military organization, the Central Military Commission. In contrast, through what was likely a combination of fortuitous assignments and savvy politicking, Xi started with ties to four out of ten CMC members—a leg up that gave him the latitude to start a wide-ranging purge of rival elites and reorder the military brass. For personalist leaders such as Xi and Mao, continuous purges ensure that no rival power centers emerge and that the military stays loyal. Xi's recent reshuffling of the CMC and the PLA shows that Xi is continuing to play this old game.

THE SUCCESSOR SHUFFLE

A fundamental dilemma of succession is that strong and competent successors can pose a threat to the leader himself. Being the next in line in China during periods of personalist rule is thus politically dangerous. Historically, Chinese strongmen have cycled through multiple successors before making their final selection. Mao, for instance, picked Liu Shaoqi and Lin Biao as his potential heirs before casting them aside. He selected Hua only when his health was unmistakably failing. Once secure in his position, Deng followed a similar path, removing two presumed successors, CCP General Secretaries Hu Yaobang and Zhao Ziyang, before settling on Jiang Zemin.

All this suggests that Xi may have trouble settling on a successor. On the one hand, he needs to ensure that the successor learns how to operate the levers of power throughout the party and military bureaucracy.

On the other hand, Xi will probably want to make sure his successor does not gain enough power to become an independent player too early. Moreover, if Xi is indecisive, shuffling through multiple candidates as Mao and Deng did, it could destabilize the CCP's hold on power by creating opportunities for splits within the party elite.

The 1989 student-led protest movement, for instance, which led to violent repression at Tiananmen Square, began as a response to the sudden death of Hu Yaobang, the liberal leader who had been Deng's most likely successor until Deng and other party elders removed him from his post as party secretary for being too lenient in response to an earlier wave of student protests. Hu's death—a heart attack during a meeting of the Politburo—galvanized protesters partly because students saw a more liberal future for China slipping from their grasp. Student protesters pushing Chinese political leaders to adopt liberal reforms found tacit support from Deng's second heir apparent, Zhao Ziyang, until Deng pushed him aside and placed him under house arrest. Jiang Zemin quietly arrived in Beijing in the middle of the protests to succeed Zhao, in part because party elites saw Jiang as someone who was ideologically palatable to all sides but a hard-liner on repressing protest.

PATH TO WAR?

The drama created by a struggle over succession is unlikely to stay inside China's borders: it will affect China's foreign policy and its relations with the rest of the world, as well. Xi is mindful of his legacy, and a sense that his time is limited may influence his decision-making and increase his appetite for risk—especially when it comes to Taiwan. He has instructed the military to be ready to carry out a campaign against the island by 2027. Although public reporting offers little evidence to definitively identify the conditions under which Xi would greenlight those moves, and there is no 2027 deadline for “reunification” with Taiwan, he clearly sees it as part of his program of national rejuvenation. If he hears the succession clock ticking, he could become more willing to gamble on war.

On the other hand, no legacy would be worse than being the leader who tried to unify with Taiwan—and failed. And despite the advances the Chinese military has made over the past decades, a successful blockade or invasion is far from guaranteed. And even if Xi succeeded on the battlefield, the cost might be high: China could become an international

pariah, its economy sapped by sanctions, and its security forces saddled with a new, taxing mission of maintaining control of a restive Taiwan.

Once again, the PLA's role might prove decisive. As Xi begins to hand over power, he will be constantly looking over his shoulder to ensure the military brass features the right mix of people with ties to the next in line and that the military is showing no signs of political disloyalty to Xi's preferred successor. These conditions are ripe for the politicization of intelligence assessments and military judgments.

It may be more difficult for subordinates to speak candidly about the costs associated with invasion, for instance, and China's intelligence assessment processes could become tainted as analysts craft vague reports that can be interpreted as aligned with the leader's thinking—no matter what it turns out to be.

By now, Xi may be adept at mentally correcting for such analytical pathologies when he consumes intelligence reporting and military campaign projections. The challenge of extracting truthful reporting from the bureaucratic apparatus is not new for China; Mao famously commented that he shared U.S. President Richard Nixon's distrust of diplomats, and Chinese Premier Zhou Enlai and U.S. National Security Adviser Henry Kissinger cracked jokes together about the woes of the bureaucratic state. But it is an open question whether Xi will be able to keep one step ahead of his advisers' assessments as he reaches his twilight years. Xi's unwillingness to adjust course on his unpopular "zero COVID" policies, which led to protests in 2022, hints that he may not be getting crucial information. And whoever takes Xi's place will likely lack the foreign policy experience necessary to know whom and what to trust.

More ominously, because of the military's hidden hand in Chinese politics, war has served a useful political purpose during past successions. War provides an opportunity to showcase a new leader's command over the PLA; seeing the senior military leadership obeying the new leader's orders might then serve to deter a potential political challenger.

China's short-lived invasion of Vietnam, in February 1979—the last time the PLA engaged in a full-scale conflict—offers a chilling reminder of how succession intrigue and miscalculation can work in tandem to push Chinese leaders to take up arms. The planning for the

Rumors of Xi's ousting are indications of trouble down the road.

war coincided with Deng's gambit to oust Hua. One of the reasons the invasion may have been attractive to Deng is that it offered an opportunity to send a not-so-subtle reminder of his deep military roots. In this way, the war's battlefield outcome may have mattered less to Deng than its political upside in domestic politics.

At the same time, the assessment process before the war ranks among the worst in China's history. Senior officers struggled to understand Deng's strategic objectives and questioned whether the beleaguered PLA would be able to push Hanoi to the negotiating table. But because many knew that Deng favored military action, they kept quiet. The invasion failed in its primary strategic goal: to compel an immediate change in Vietnam's policy toward the Soviet Union and Cambodia. Moreover, in the eyes of Vietnamese decision-makers, China's lackluster battlefield performance highlighted how much of a toll the Cultural Revolution had taken on its military effectiveness—the exact opposite outcome that Chinese leaders were hoping to achieve.

HEIR UNAPPARENT

In China, the game of political succession plays out behind the high red walls of CCP headquarters at Zhongnanhai, making it difficult for outside observers to know what to look for and what to expect. The lack of public information about CCP politics also means that while Xi is in power, he will be subjected to regular rumors that he is in political trouble. This summer, for example, word circulated that Xi is on the verge of being pushed out of office, allegedly elbowed aside by his predecessor, Hu Jintao, and his military chief, Zhang Youxia. Such rumors about Xi's premature political demise can usually be safely discounted. The odds that China's top leader will be removed from office are not zero, but they are exceedingly small. Yet even if these rumors are not true, they are telling; indeed, they are products of a system of government in which the dynamics of leadership succession will play an increasingly urgent role.

As long as Xi is in good health, he will probably serve at least one more term, which would mean staying in power until 2032 or later, and he alone will likely decide who succeeds him. Previously, retired leaders have played important roles in the succession process, serving, for instance, on a ceremonial body called the party presidium. This time around, however, the party's elders may sit the process out. At

82 years old, former General Secretary Hu Jintao is thought to be in poor health; in his most recent public appearance during the 2022 party conclave, he seemed to be confused as he was led off stage in a humiliating scene. Other surviving party elders are also unlikely to intervene; some, such as former premier Wen Jiabao, may lack the stature, and others, such as the retired premier, Zhu Rongji, are well past 90 years old.

If Xi dies without having picked a successor, there will be a scramble. According to the CCP constitution, the leader should be elected in a plenary session of the entire Central Committee, which has more than 200 members. Yet before this group convenes, a subset of party higher-ups, perhaps in consultation with retired leaders and military generals, would meet and essentially predetermine the outcome. A natural choice, should Xi die unexpectedly, might be Premier Li Qiang, who is 66. But there are no guarantees: a civilian with the backing of the military, security services, and enough of the Politburo could push him aside.

The best-case scenario might be for Xi to anoint a successor who is permitted to quietly build a base of power in Xi's final years. Following the Tiananmen Square crackdown, Deng handed Jiang Zemin the formal posts of military and party chief in 1989 while Deng was aging but still vigorous. Jiang was a newcomer to both Beijing and elite politics when Deng handed him the reins. Jiang's position, particularly his weak ties to the military, offered Deng continued leverage, and Deng used his final years to shepherd Jiang through his first years in power, insulating the novice leader from rivals while also pushing him firmly toward economic liberalism. By contrast, if Xi anoints a successor but refuses, or is unable, to allow him to build a power base, the next in line will be vulnerable to potentially chaotic leadership challenges after Xi dies—similar to what befell Hua Guofeng.

To follow the Deng model, Xi would need to select someone relatively young who can carry his agenda forward for years. He could first appoint his chosen successor to the position of head of the party secretariat, an important job that would familiarize him with the internal workings of the Politburo. And eventually, Xi may even make this person a vice chairman of the Central Military Commission to give him some experience with military affairs and the power to rule. The goal is likely for the successor to be ready to assume the top job when he is in his late 50s or early 60s.

Strikingly, none of the current members of the seven-man Politburo Standing Committee fit this profile. Li Qiang will be in his late 60s in 2027 and in his 70s in 2032, significantly older than recent party leaders when they took office. Cai Qi holds the critical position as head of the party secretariat, a steppingstone to the top job, but he is only a couple of years younger than Xi. Ding Xuexiang will be 65 in 2027, which makes him a more plausible choice, but he has never governed a province or municipality, a likely prerequisite to ensure the successor

is a competent administrator. The remaining three men—Li Xi, Wang Huning, and Zhao Leji—are also too old to be likely contenders.

Washington
must avoid the
temptation
to exploit the
succession
challenge.

The larger Politburo offers some more candidates, but each comes with a big asterisk by his name. Chen Jining is the party secretary of Shanghai, a job that both Xi and Jiang held—and, at 61, one of the youngest members of the Politburo. But Chen is not a sitting member of the Standing Committee, and Xi would probably want to elevate him

a few years before he took over so he could learn the ropes. (Xi was elevated to the Standing Committee five years before he became CCP general secretary.) By the time Chen was ready, he would be older than Jiang, Hu, and Xi were when they took office.

The outside world would most likely learn of potential successors during the next party congress, which is expected in 2027, and which is usually when the CCP announces reshufflings of the Politburo Standing Committee. But looking at the field of candidates, if Xi makes his selection with an eye toward a 2032 handover, he will need to designate an older heir than has been typical, or he will have to go with a surprise dark horse who lacks the typical pedigree.

An older heir would mean that Xi's hand-picked successor would not be able to carry Xi's vision forward for very long, which could create further uncertainty for the country. Xi will want to avoid the problem that the Soviets faced in their regime's last decade. After Soviet leader Leonid Brezhnev died in 1982, his two aging heirs both lasted only a year in office before dying themselves. The result was the elevation of Mikhail Gorbachev, who oversaw the regime's demise. Xi often speaks of the fall of the Soviet Union and wants to prevent China from suffering the same fate.

But a surprise pick would also be risky, because it would mean passing over all the current members of the 24-man Politburo. An entire generation of politicians, in other words, would lose the chance to lead—and their frustrated ambitions could shape Chinese politics for years to come. Such internal tension could create the opportunity for a politician to emerge from the wings, either with a reform agenda, as Deng did in 1978, or with an even more conservative and nationalist agenda than Xi holds.

COURSE CORRECTION?

All this points to a political atmosphere that will be increasingly tense as the problem of succession hovers over the party. Each year that Xi fails to identify and groom a successor will increase the possibility of more chaotic paths for the party and for China, such as the elevation of a weak successor who falls victim to a power struggle. In this way, the periodic rumors about Xi's alleged political demise are urgent signals not because they are true but because they are indications of trouble down the road.

American policymakers should appreciate the risks inherent in China's coming succession challenge, but they must also avoid the temptation to exploit it for geopolitical gain. Attempting to intervene in the succession process would violate principles of sovereignty and could elevate domestic political tensions in ways that outside actors cannot anticipate. Internal speeches show that the leadership, including Xi himself, still views the 1989 student-led protest movement as a plot by "hostile Western forces" to bring down the party, and this mistrust continues to color the U.S.-Chinese relationship.

Instead of meddling, the United States should let the process unfold while watching it closely. Although the party's geopolitical assessments and ideological convictions are bigger than Xi, it is not unreasonable to expect a course correction from the post-Xi years, in which a more moderate and temperate leader emerges—someone who is not stridently nationalist and who can break down the walls that the current leadership has built around the country.

Indeed, in the past, the CCP has corrected course through the succession process. There is a hopeful lesson for the coming years in the transition from Mao's radical socialism to Deng's more pragmatic policy of reform and opening. "If we don't reform, the party is at a dead end," Deng famously said. Xi's successor might come to the same conclusion. 🌐

By Land or by Sea

Continental Power, Maritime Power, and the Fight for a New World Order

S. C. M. PAINE

Great-power competition once again defines international relations. But the exact contours of today's contest remain the subject of debate. Some observers emphasize ideological precedents from the Cold War. Others focus on changing military balances. Still others highlight leaders and their choices. In truth, modern conflicts over the international system flow from a long-standing, if unrecognized, disagreement over the sources of power and prosperity. The dispute originates from geography, and it has produced two antithetical global outlooks: one continental and the other maritime.

In the continental world, the currency of power is land. Most countries, by geography, inhabit a continental world with multiple neighbors. Such neighbors have, historically, been each other's primary adversaries. Those with enough power to conquer others—continental hegemony such as China and Russia—believe the international system should be divided

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among them into huge spheres of influence. They funnel resources into their militaries to protect boundaries, conquer and intimidate neighbors in wealth-destroying wars, and entrench authoritarian rule at home to prioritize military over civilian needs. The result is a vicious cycle. To justify their repression and retain the throne, despots require a big enemy and manufacture security threats that lead to more wars.

By contrast, states with an oceanic moat have relative security from invasion. They can thus focus on compounding wealth rather than on fighting neighbors. These maritime states see money, not territory, as the source of power. They advance domestic prosperity through international commerce and through industry, minimizing the tradeoff between military and civilian needs. While continental hegemony gravitate toward finite-game, winner-take-all strategies that are ruinous to the defeated, those vested in the maritime order prefer the infinite game of wealth-compounding, mutually beneficial transactions. They view neighbors as trade partners, not enemies.

The maritime worldview goes back to the ancient Athenians, whose rimland empire depended on accruing wealth from coastal trade. Such states wish to treat the oceans as commons, so all can share them and safely trade. It is not a coincidence that Hugo Grotius, the founding father of international law, came from the Dutch Republic, a trading empire. And since World War II, commercially minded countries have developed regional and global institutions to facilitate trade, minimize transaction costs, and compound wealth. They have coordinated their coast guards and navies to eliminate piracy so that trade gets through. This has produced an evolving maritime, rules-based order with dozens of members that together enforce the regulations that protect them all.

Today's competition is just the latest iteration of the continental-maritime conflict. Since World War II, the United States' strategy has reflected its position as a maritime power. Because of its economic structure, the country has an interest in maintaining trade and commerce. And thanks to its geography and strength, it can hinder countries from undermining the sovereignty of other states. China, Iran, North Korea, and Russia, meanwhile, want to undermine the rules-based order because their leaders consider more liberal societies an existential threat to their rule and national security visions.

The United States can prevail in the second cold war, just as in the first, by hewing to the successful strategies of maritime power. But if it reverts to a continental paradigm—by erecting barriers, threatening

neighbors, and undermining global institutions—it is likely to fail. It may then be unable to recover.

THE TRICKS OF TRADE

The United Kingdom developed the modern maritime playbook for countering continental powers during the Napoleonic Wars. London became the world's dominant power not by deploying its army to obliterate rivals but by growing rich from trade and industry while other European countries ruined each other militarily. All continental states had to maintain large armies either to conquer or to avoid being conquered. Often, they organized their economies around the needs of their army, not their merchants. But the United Kingdom, protected on every side by water and by its dominant navy, was less afraid of an invasion. It therefore did not need a large, expensive, potentially coup-generating ground force. It focused on compounding its wealth through commerce, relying on its navy to defend shipping lanes.

Alone of all the great powers, the United Kingdom belonged to every successive coalition fighting France. After the Royal Navy defeated Napoleon at Trafalgar, he turned to an economic strategy. He imposed a continent-wide blockade on British commerce, known as the Continental System—a strategy that Napoleon described as *la France avant tout* (France first). But this blockade hurt the economies of France and its allies far more than it did the United Kingdom, which had maritime access to alternative markets across the planet. The blockade led Napoleon to launch his ruinous invasion of Russia, which continued trading with the British.

Rather than fighting Napoleon's large military directly, the United Kingdom used its growing wealth to fund and arm Austria, Prussia, Russia, and numerous smaller states, which together pinned down the bulk of Napoleon's forces on the main front in central or eastern Europe. The British then opened a peripheral theater on the Iberian Peninsula, what Napoleon called his "Spanish ulcer," which had better sea than land access, so that attrition rates favored them. The cumulative casualties from this and the main front ultimately overextended Napoleon, dooming his military when his adversaries simultaneously ganged up. Virtually every European country suffered extensive war damage, but the British economy emerged unscathed. The same was true for the United States in both world wars.

After the Napoleonic Wars, the Industrial Revolution introduced compounded economic growth. This tilted the playing field even more

in favor of maritime powers. Suddenly, it was far easier to accrue power from industry, commerce, and trade than from wealth-destroying wars. Doing so depended on the external lines of communication provided by the seas rather than the internal lines that continental powers, such as Napoleonic France, leveraged to defend and expand their empires. As a result, today, the world order is maritime in nature—even though few perceive it that way. Around half the world's population lives by the sea, coastal areas create roughly two-thirds of global wealth, 90 percent of traded goods (measured by weight) arrive at their final destination via oceans, and submarine cables account for 99 percent of international communications traffic. International bodies and treaties regulate trade. The seas connect everyone with everything. No one state can keep them open, but a coalition of coastal states can make them safe for transit.

This system has broadly benefited the world's people. Trading rules have minimized bottlenecks, reducing costs. Safe, open seas facilitate economic growth, raising living standards. People can travel, work, and invest abroad. Billionaires are the greatest beneficiaries of the maritime order because they have the most to lose to confiscation when the rules disappear, and because their economic interests are global. Countries vested in the maritime order are far richer than those that seek to undermine it. Even those intending to overturn this system have benefited from it. China, for instance, became rich only after it joined the maritime order when the Cold War ended. The Iranian and Russian economies are a fraction of what they could be if they followed international law and built institutions to protect their citizens instead of their dictators.

CONQUER AND COLLAPSE

In the continental world, power is a function of territory. Neighbors are dangerous. Since strong ones may invade, continental hegemony work to destabilize nearby countries. In modern times, they do so by deluging them with fake news to fuel internal resentments and regional disagreements. Weak neighbors also pose a threat, as terrorism and chaos can bleed over shared borders. To protect themselves and increase their power, continental states often invade and ingest their neighbors, eliminating potential threats by wiping them off the map.

In their drive to increase in size and power, successful continental hegemony follow two rules: avoid two-front wars and neutralize great-power neighbors. But the continental theory of security provides no counsel for when to stop expanding and yields no permanent alliances.

Neighbors understand that the hegemon promises long-term trouble. As a result, continentalists often find themselves overextended, alone, and, eventually, at risk of collapse. Both wars for territory and the destabilization of neighbors swiftly destroy wealth.

Germany, for example, could have dominated the European continent economically during the twentieth century, given its more rapid economic growth rate relative to its neighbors. Instead, it fought two expansionist world wars. In both, it violated the rules for continental empire by fighting on multiple fronts against multiple great powers. The wars, far from cementing Germany's dominance, delayed its rise by generations at a massive cost in both lives and wealth across Europe.

Likewise, Japan prospered under a maritime trading order. Then, in the 1930s, it adopted a continental paradigm and seized a large empire on the Asian mainland. As with Germany, its quest initially yielded territory but produced multiple enemies and military and economic overextension that destroyed both Japan and those it invaded. Postwar Japan then returned to a maritime paradigm of working through international organizations and under international law. This produced the Japanese economic miracle, in which a ruined country quickly became one of the world's richest. (Hong Kong, Singapore, South Korea, and Taiwan had Cold War economic miracles thanks to the maritime system, as well.)

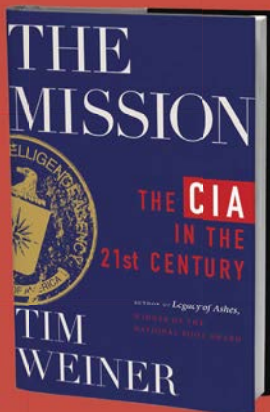
Overextension was also central to the fall of the Soviet Union. That empire not only ingested Eastern Europe at the end of World War II; it imposed an economic model conducive to dictatorial rule but not to economic growth. It then expanded this program to as much of the developing world as possible. Ultimately, the lethargic Soviet economy could not sustain Moscow's imperial adventures and impracticable projects.

In World War I, every European power, including the United Kingdom, pursued continental strategies that required using massive armies to establish diverse empires with overlapping territory. Each state had different primary adversaries and primary theaters, even within each alliance system. This produced a series of uncoordinated, parallel wars. The European powers, including the United Kingdom, also struggled because they allowed army officers to oversee the war effort with inadequate input from civilian leaders who had insights into the economic underpinnings of power. Army officers doubled down on stalemated offensives for months, wasting hundreds of thousands of young lives rather than owning up to the profligacy of their strategy.

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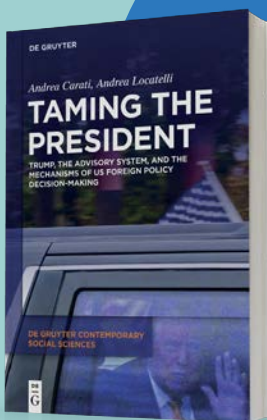
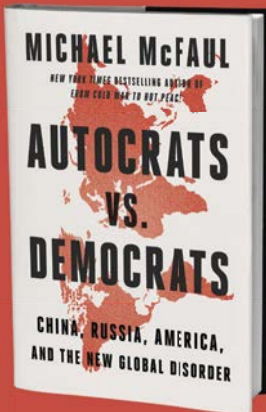
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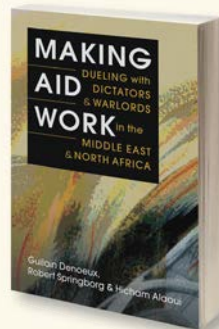
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Arguably, no European country fully recovered from its World War I losses. The war destroyed the continental empires that had insisted on fighting it—Austria-Hungary, Germany, and Russia. Despite their victory, France and the United Kingdom were worse off afterward. The United States emerged disgusted by European entanglements, paving the way for the original America Firsters, who enacted tariffs that deepened the Great Depression and set the stage for a world war rerun. By contrast, during the long peace between the Napoleonic Wars and World War I, Europe's affluence compounded. Likewise, when the United States followed the maritime paradigm to win World War II, unprecedented prosperity ensued. Unlike after World War I, Washington did not recede into isolationism. Instead, it assumed the mantle of leadership by helping partners rebuild and acting as the guarantor of an international system it created in cooperation with its postwar allies to preserve peace. These institutions succeeded in Europe until Russian President Vladimir Putin invaded Ukraine.

THE DOGS OF WAR

Most countries are geographically continental. They lack an oceanic moat completely insulating them from threats. Only the maritime rules-based order offers such states full protection. Institutions and alliance systems integrate the diverse capabilities of the many to contain the threats from the few. They are the insurance program for the rules-based order. They cannot eliminate dangers altogether, but if members coordinate to maximize their economic growth and constrain the continentalists, they can minimize risks.

But the world still has many committed continentalists. Putin has made it clear he intends to expand Russia's borders. His initial objective is control over Ukraine, the hors d'oeuvre before the main course. "There's an old rule that wherever a Russian soldier sets foot, that's ours," Putin said, laying out his menu. It features, at a minimum, central and eastern Europe, which Soviet troops occupied after World War II. His statement may also portend visions of power over Paris, which Russian troops reached at the end of the Napoleonic Wars.

As during the first Cold War, Moscow wants to break apart the West both from without and from within. Ever since the Bolshevik Revolution, Russians have excelled at propaganda. They used it to successfully market communism around the world, costing many countries decades of growth. Now, Russia is using propaganda to spread the fiction that NATO threatens

Russia rather than the reverse. (NATO countries do not covet Moscow's territory; they want Russia to deal with its domestic dystopian mess and become a constructive member of the international system.)

Social media has radically increased Russia's ability to sow discord abroad, which it does by stoking hatred on both sides of divisive issues. Moscow has sought to transform the war in Ukraine into a wedge issue that divides the United States from Europe and different European states from each other, weakening both NATO and the EU. It helped promote Brexit, which has eroded the United Kingdom's ties with the continent. It helped create massive migrant flows by supporting the dictator Bashar al-Assad's forces during the Syrian civil war and now by destabilizing Africa, sending refugees pouring into Europe. These inflows have been profoundly destabilizing, facilitating the rise of the continent's isolationist right.

Other continental powers also wish to overturn the present global order. North Korea wants control of the entire Korean Peninsula, eliminating South Korea. Iran's primary theater is the Middle East, where Tehran seeks to extend its influence over Gaza, Iraq, Lebanon, and Syria.

Then there is China. The country's decision to integrate into the current world order in pursuit of wealth suggested that, despite its authoritarian government, it might be adopting a maritime outlook. It even built a large navy. But Beijing cannot reliably deploy that navy in wartime because of the narrow, shallow, island-cluttered, enclosed seas that surround its coasts. This makes it much like Germany, which built large navies it could not reliably use in either world war. The United Kingdom blockaded the narrow North Sea and Baltic Sea, eliminating Germany's merchant traffic and reducing its naval traffic mainly to submarines. In World War II, Berlin required the long French and Norwegian coastlines for more reliable egress for its submarines, but that was still insufficient for its navy, let alone its merchant marine. China is even more reliant on trade and imports than Germany was then, particularly energy and food. The economic bottlenecks from a shutdown of its oceanic trade would debilitate its economy.

As Ukraine has demonstrated with its sinking of Russian ships, drones can close narrow seas. China has 13 landward neighbors and seven seaward neighbors, and no shortage of disagreements with them. With submarines, shore artillery, drones, and planes, these neighbors can shut down China's merchant traffic and make its naval passage perilous. Many of its close coastal neighbors, by contrast, do not need to traverse the

South China Sea to reach the open ocean—Indonesia, Malaysia, the Philippines, and Thailand, as well as Taiwan, all have alternative coastlines on the open seas, making them difficult to blockade.

Like Russia, China retains a continental outlook. In addition to territorial claims on Japan and the Philippines, and its threat to use force to take all of Taiwan, Beijing seeks territory from Bhutan, India, and Nepal. When Chinese citizens list their historic lands, they either name the Mongol Yuan dynasty, which extended all the way to Hungary, or the Manchu Qing empire, which encompassed the lands the Belt and Road Initiative is now peeling away from the Russian sphere of influence. The Chinese still have two names for themselves, either “the central kingdom” or the even more grandiose “all under Heaven”—a complete world order unto itself and all the lands it conquers.

Beijing, unlike Moscow, has not yet launched outright wars of aggression. But China is waging financial war with its predatory Belt and Road Initiative loans, which leave recipients massively indebted. It is conducting cyberwarfare, hacking into other countries’ critical infrastructure and stealing their secrets. It engages in resource warfare by limiting rare-earth mineral exports, ecological warfare by damming Southeast Asia’s Mekong River and South Asia’s Yarlung Tsangpo River, and drug warfare by flooding the United States with fentanyl. It has even dabbled in irregular warfare, with incursions into Indian territory that killed Indian soldiers. This is a continental recipe for overextension.

AVERTING CATASTROPHE

To confront the continentalists, the United States and its allies do not need to reinvent the wheel. The strategy that won the previous Cold War remains equally serviceable today. It begins with a recognition that this struggle—like the last—will be protracted. Rather than attempting a rapid resolution, which could have triggered nuclear war, the victors in the first Cold War managed the conflict for several generations. The same advice applies today: the maritime powers must be patient and keep the current conflict cold. They should particularly avoid hot wars in theaters lacking adequate maritime access, in states surrounded by hostile countries likely to intervene, and in states where the local population is broadly unwilling to provide assistance. These characteristics applied to Afghanistan and Iraq, and help explain Washington’s unsuccessful conflicts there.

Instead of fighting hot wars, the United States and its partners should leverage the great strength of the maritime world against the



great weakness of the continentalists: their different capacities to generate wealth. They should exclude continentalists from the benefits of the maritime order by sanctioning them until they cease violating international law, put aside warfare, and embrace diplomacy. Unlike tariffs, which are taxes on imports to protect domestic producers, sanctions make targeted transactions illegal to penalize malign actors. Even porous sanctions, which shave growth rates by a percentage point or two, can produce devastating, long-term compounding effects—as a comparison of sanctioned North Korea and unsanctioned South Korea illustrates. Sanctions are a form of economic chemotherapy. They may not eliminate the tumor, but they will, at a minimum, slow its progress. They can be particularly effective at setting back technological development, as the Soviets experienced.

Washington and its partners should accommodate states that are not revisionists. The victors in the last Cold War understood that alliances are additive. Partners bring new capabilities that can help overwhelm enemies. Institutions then mobilize expertise to provide services and prevent problems that can help member states combat the continentalists. The United States should thus strengthen and expand its network. It should focus on maintaining not just its own prosperity but also that of its partners, so they can gang up on the bullies. Alliance systems should also aid those beset by the continentalists, whose resistance weakens their enemies. Just as the West armed Moscow's enemies until the Soviet Union withdrew from its war against Afghanistan, the West must now aid Ukraine for as

long as it takes. The longer the Ukraine conflict continues, the weaker Moscow will become, opening itself up to possible Chinese predation.

Should Russia's current regime fall, the resulting succession struggle will force it to reduce its foreign commitments—as occurred with the Soviet Union during the Korean War, when Joseph Stalin's death led to that conflict's rapid conclusion. Should any of the continentalists cease coveting other countries' territory and instead peacefully contribute to improving international laws and institutions, then the United States and its partners should welcome them into the rules-based order. But if these countries do not change, containment is the answer. Washington prevailed in its earlier showdown with Moscow not with a dramatic military victory but by prospering while the Soviet Union endured an economic decline of its own making. In the 1980s, while Soviets waited in line for basic goods, Americans took family vacations. The present U.S. objective should be to keep other democracies and partners prospering while weakening the continentalists. The latter powers may not go away any time soon, but if they cannot match the economic growth rates of those upholding the maritime order, the relative threat will shrink.

OWN GOALS

The stakes of the clash between the continental order and the maritime, rules-based order have never been so high. There are many nuclear powers, and the United States is increasingly unwilling to act as the ultimate guarantor of the present global system by supporting allies and extending its nuclear umbrella. If the conflicts in Ukraine, across Africa, and between Israel and Iran expand and merge, a catastrophic third world war might ensue. Unlike in the previous ones, everyone would be vulnerable to nuclear strikes and their toxic fallout.

The United States has already taken major steps to defeat its continental adversaries. It has imposed strict sanctions and export controls. It has funded and armed the countries facing down shared antagonists. But critics of the rules-based order are gathering strength. They see the system's many imperfections but not its even more important benefits—including the catastrophes the rules avert. The rules-based order benefits individuals, businesses, and governments not only by facilitating trade flows but also by deterring malign behavior. Unfortunately, people rarely appreciate a disaster averted.

Today, even top U.S. officials are critical of the present order. Over the last year, Washington has gravitated toward a continental approach.

The United States will always have its natural moats—the Atlantic and the Pacific—to protect the mainland. But it also shares long borders with Canada and Mexico, and Washington is picking fights with both. It has berated numerous friendly democracies, levied tariffs on trading partners, and paralyzed international institutions that facilitate global economic growth by setting and enforcing the rules of the road. Musings from Washington about absorbing Canada, seizing Greenland from Denmark, and retaking the Panama Canal will, at a minimum, permanently alter Canadian and European shopping choices and vacation plans. At worst, they will rupture Western alliances.

Bad strategy could transform the United States from the essential power to the irrelevant power, as former partners form new alliances that exclude Washington. Such a shift would take time, but if it happens, the changes will be enduring. Europeans will grow stronger together, leaving the United States weaker and alone. In the worst-case scenario, Washington could become a shared primary adversary for China, Iran, North Korea, and Russia, with no allies left to help it. But even short of that, it may have to compete with Beijing on its own. If so, it may struggle to prevail. China has nearly three times as many people as does the United States and a much larger manufacturing base. It has nuclear weapons that can reach the American homeland, and might not have moral qualms about using them. The United States could also become less queasy about deploying its arsenal. If a state is about to lose a great-power conflict, after all, it may be incentivized to go nuclear, transforming a bilateral catastrophe into a global one.

For Washington, a scenario that leaves it alone and defeated would be a tragic conclusion to the last 80 years. At the end of World War II, it had earned friends across the globe. But that moral capital, gained at great cost, is being squandered. Like Napoleon's *France avant tout*, the recent reversion to America First is antagonizing allies everywhere. Undoubtedly, Washington's enemies would relish seeing the United States brought low.

Too many Americans have taken the benefits of the maritime order for granted and harped on its imperfections, frittering away their many geographic and historical advantages in the process. Like the oxygen around them, they will miss the global order should it disappear. As the Athenian leader Pericles lamented long ago on the eve of a succession of Athenian mistakes that permanently ended that city's preeminence, "I am more afraid of our own blunders than of the enemy's devices." 🌐

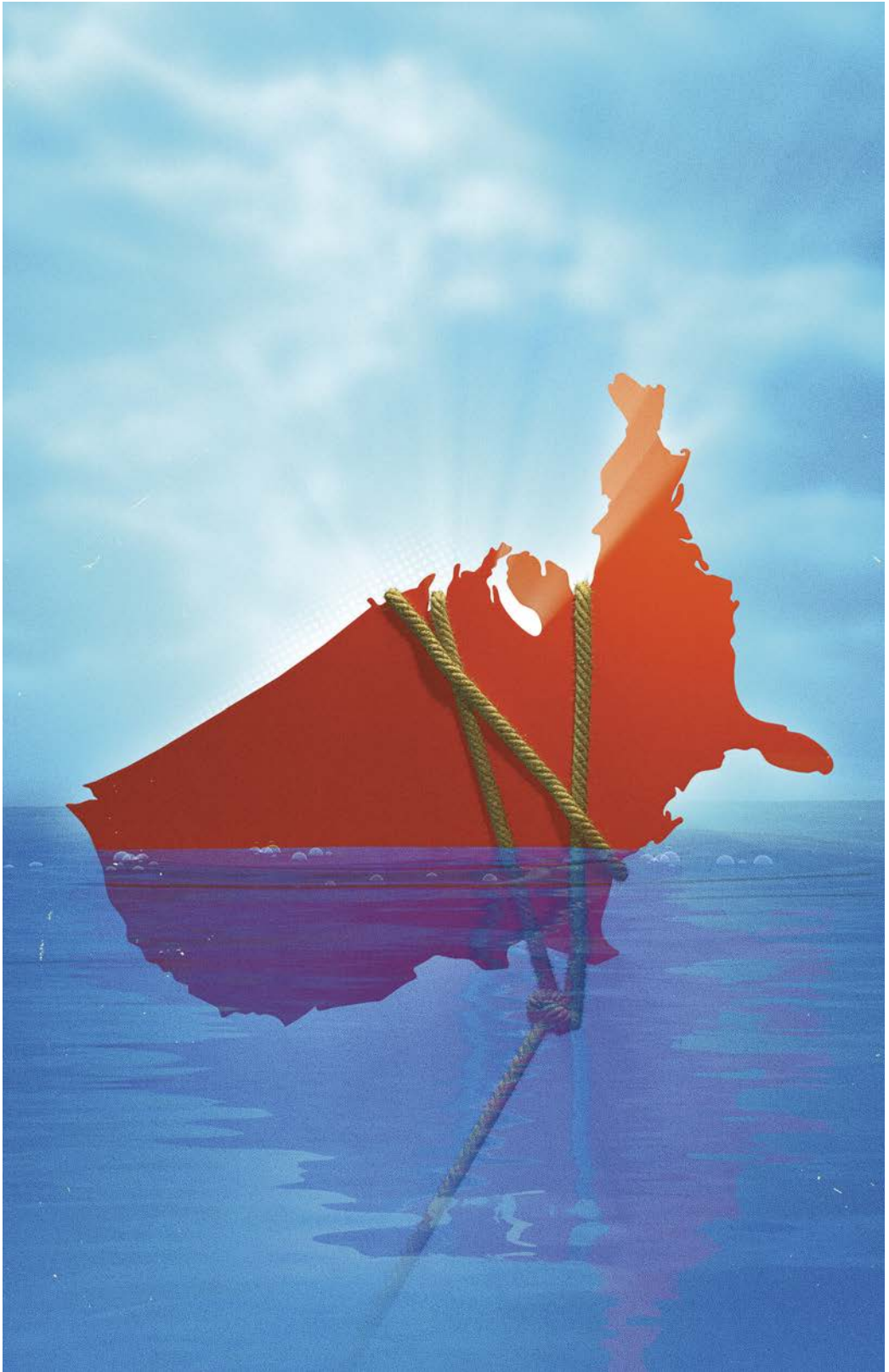
America's Coming Crash

Will Washington's Debt Addiction Spark the Next Global Crisis?

KENNETH S. ROGOFF

For much of the past quarter century, the rest of the world has looked in wonder at the United States' ability to borrow its way out of trouble. Again and again, under both Democratic and Republican administrations, the government has used debt more vigorously than almost any other country to fight wars, global recessions, pandemics, and financial crises. Even as U.S. public debt rapidly climbed from one plateau to the next—net debt is now nearing 100 percent of national income—creditors at home and abroad showed no signs of debt fatigue. For years after the 2008–9 global financial crisis, interest rates on Treasury debt were ultralow, and a great many economists came to believe that they would remain so into the distant future. Thus, running government deficits—fresh borrowing—seemed a veritable free lunch. Even though debt-to-income levels jumped radically

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after each crisis, there was no apparent need to save up for the next one. Given the dollar's reputation as the world's premier safe and liquid asset, global bond market investors would always be happy to digest another huge pile of dollar debt, especially in a crisis situation in which uncertainty was high and safe assets were in short supply.

The past few years have cast serious doubt on those assumptions. For starters, bond markets have become far less submissive, and long-term interest rates have risen sharply on ten- and 30-year

A once-in-a-century U.S. debt crisis no longer seems far-fetched.

U.S. Treasury bonds. For a big debtor like the United States—the gross U.S. debt is now nearly \$37 trillion, roughly as large as that of all the other major advanced economies combined—these higher rates can really hurt. When the average rate paid rises by one percent, that translates to \$370 billion more in annual interest payments the government

must make. In fiscal year 2024, the United States spent \$850 billion on defense—more than any other country—but it spent an even larger sum, \$880 billion, on interest payments. As of May 2025, all the major credit-rating agencies had downgraded U.S. debt, and there is a growing perception among banks and foreign governments that hold trillions of dollars in U.S. debt that the country's fiscal policy may be going off the rails. The increasing unlikelihood that the ultralow borrowing rates of the 2010s will come back any time soon has made the situation all the more dangerous.

There is no magic fix. U.S. President Donald Trump's efforts to place the blame for high rates on the Federal Reserve Board are deeply misleading. The Federal Reserve controls the overnight borrowing rate, but longer-term rates are set by vast global markets. If the Fed sets the overnight rate too low and markets expect inflation to rise, long-term rates will also rise. After all, unexpectedly high inflation is effectively a form of partial default, since investors get repaid in dollars whose purchasing power has been debased; if they come to expect high inflation, they will naturally require a higher return to compensate. One of the main reasons governments have an independent central bank is precisely to reassure investors that inflation will remain tame and thereby keep long-term interest rates low. If the Trump administration (or any other administration) moves to undermine the Fed's independence, that would ultimately raise government borrowing costs, not lower them.

Skepticism about the safety of holding Treasury debt has led to related doubts about the U.S. dollar. For decades, the dollar's status as the global reserve currency has conferred lower interest rates on U.S. borrowing, reducing them by perhaps one-half to one percent. But with the United States taking on such extraordinary levels of debt, the dollar no longer looks unassailable, particularly amid other uncertainty about U.S. policy. In the near term, global central banks and foreign investors may decide to limit their total holdings of U.S. dollars. Over the medium and longer term, the dollar could lose market share to the Chinese yuan, the euro, and even cryptocurrency. Either way, foreign demand for U.S. debt will shrink, putting further upward pressure on U.S. interest rates and making the math of digging out of the debt hole still more daunting.

Already, the Trump administration has hinted at more drastic actions to deal with mounting debt payments, should gaining control of the Fed not be enough. The so-called Mar-a-Lago Accord, a strategy put forward in November 2024 by Stephen Miran, now head of Trump's Council of Economic Advisers, suggests that the United States could selectively default on its payments to the foreign central banks and treasuries that hold trillions of U.S. dollars. Whether or not the proposal was ever taken seriously, its very existence has rattled global investors, and it is not likely to be forgotten. A clause proposed for the huge tax and spending bill that was passed by the U.S. Congress in July would have given the president discretion to impose a 20 percent tax on select foreign investors. Although that provision was removed from the final bill, it stands as a warning of what might come if the U.S. government finds itself under budget duress.

With long-term interest rates up sharply, public debt nearing its post-World War II peak, foreign investors becoming more skittish, and politicians showing little appetite for reining in fresh borrowing, the possibility of a once-in-a-century U.S. debt crisis no longer seems far-fetched. Debt and financial crisis tend to occur precisely when a country's fiscal situation is already precarious, its interest rates are high, its political situation is paralyzed, and a shock catches policymakers on the back foot. The United States already checks the first three boxes; all that is missing is the shock. Even if the country avoids an outright debt crisis, a sharp erosion of confidence in its creditworthiness would have profound consequences. It is urgent for policymakers to recognize how and why these scenarios could unfold

and what tools the government has to respond to them. In the long term, a severe debt or, more likely, an inflationary spiral could send the economy into a lost decade, drastically weakening the dollar's position as the dominant global currency and undermining American power.

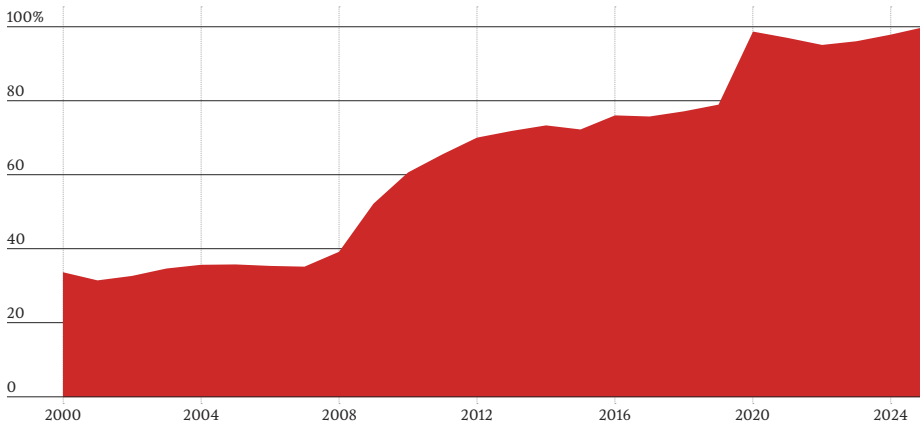
THEIR MONEY, OUR GAIN

It is crucial to understand that the Trump administration's economic policies are an accelerant, rather than the fundamental cause, of the United States' debt problem. The story really begins with President Ronald Reagan in the 1980s, an era of deficit spending in which the U.S. debt-to-GDP ratio was about a third of what it is today. As Vice President Dick Cheney said during the first George W. Bush administration, "Reagan proved deficits don't matter." It is an assumption that both parties appear to have taken to heart in the twenty-first century, despite far more worrying debt burdens. In fiscal year 2024, for example, the Biden administration ran a budget deficit of \$1.8 trillion, or 6.4 percent of GDP. Except for the global financial crisis and the first year of the pandemic, that was a peacetime record, slightly exceeding the 6.1 percent of the previous year. President Joe Biden's deficits would have been larger still but for determined resistance from two centrist Democratic senators who bid down some of the administration's most expansive spending bills.

During his 2024 presidential campaign, Trump pilloried Biden for his administration's massive deficit spending. Yet in his second term in office, Trump has embraced similarly large deficits—six to seven percent of GDP for the rest of the decade, according to independent forecasts produced by the Congressional Budget Office and the Committee for a Responsible Federal Budget. The latter has projected that, by 2054, the U.S. debt-to-GDP ratio will reach 172 percent—or an even higher 190 percent if the bill's provisions become permanent. Trump and his economic advisers claim that such forecasts are overly pessimistic—that the projections for growth are far too low and those for interest rates far too high. Higher growth will bring in larger future tax receipts; lower interest rates mean the debt will be less costly to service. If Team Trump is right, both factors will actually lower deficits and tilt the trajectory of debt to income downward. Whereas in January 2025, the CBO projected an annual growth rate of 1.8 percent over the next decade, the administration has put the figure at 2.8 percent. The difference is significant: if the U.S. economy is

IN THE RED

U.S. net public debt as percent of GDP



Source: Congressional Budget Office. Data as of January 2025.

growing at 1.8 percent annually, it will double in size (and presumably tax revenues) every 39 years. At 2.8 percent, it would double every 25 years. For Trump, assuming that kind of rapid growth has made it easier to finance a lot of budget giveaways.

There is a substantive basis for the Trump administration's growth projections, although it has little to do with the claimed benefits of the "big, beautiful bill" passed in July. Many prominent technology experts firmly believe that as long as the government stays out of the way, artificial intelligence companies will achieve Artificial General Intelligence, meaning AI models that can equal or outperform human experts at a wide variety of complex cognitive tasks, within ten years, leading to explosive productivity growth. Indeed, the progress of AI research has been breathtaking, and there are strong reasons for assuming that AI's effect on the economy will be profound. But in the medium term, widespread adoption of AI could be hindered by multiple bottlenecks, including outsize energy requirements, data regulations, and legal liabilities. Moreover, as AI allows companies in some sectors to lay off scores of workers, public discontent could encourage populist politicians to push through policies that—along with aggressive limits on legal immigration, cuts in funding for scientific research, and the chaotic tariff war that are already underway—could dramatically slow the effects of AI on growth.

Regardless of when and how the AI revolution unfolds, it's possible that another major economic shock may not be far off. During the COVID-19 pandemic, a short-lived recession and the large-scale government response to it added debt roughly equivalent to 15 percent of GDP; in the case of the global financial crisis, the debt added was closer to 30 percent of GDP. It seems reasonable to assume that another shock approaching this magnitude—a cyberwar or even a full-blown military conflict, a climate catastrophe, or another financial crisis or pandemic—will come in the next five to seven years. One might view the more modest CBO growth projections as realistically balancing the odds that the economy could see fantastic growth, most likely driven by AI, with the odds of a new shock.

How fast the U.S. debt level grows will also depend on the interest rate. The CBO has estimated that the government will have to pay an average interest rate of 3.6 percent through 2055. (This average takes into account that the government borrows at both short- and long-term maturities.) Here, too, the Trump administration views the CBO as far too pessimistic. The president seems to believe that the economy can go back to the extremely low interest rates of his first term, when they averaged less than half the current rates and there was only very modest inflation. It is hard otherwise to understand why he would be pressing for the Fed to cut its short-term policy interest rates by as much as three percentage points.

Trump's view should not be dismissed out of hand. Several members of the Federal Open Market Committee, which periodically reports where it believes the Fed's short-term policy rate will land in a couple of years, see much lower rates as the central scenario. Yet with the 30-year Treasury bill rate near five percent as of late July, market indicators do not signal that a sharp drop in long-term rates is coming. If they remain at or near this level, there are real risks to continuing to push up the debt, especially when the biggest crisis in the U.S. economy for now is a political one.

MAGIC MOUNTAIN

Washington's failure to deal with its runaway debt problem is in part the result of misguided (or at least oversold) economic theories that took hold over the last two decades. Throughout most of modern history, it was thought that prudent government debt management involved bringing down the ratio of debt to GDP during quiescent

periods of growth in order to store fiscal ammunition for the next crisis. In the 1800s, the United Kingdom used debt to fight one war after another, taking advantage of the time in between to repair its finances. Likewise, although the U.S. debt-to-GDP ratio was very high during World War II, it quickly declined in the years that followed; since the United States had just fought two world wars, policymakers feared there might be yet another. To pay for the Korean War, the Eisenhower administration famously raised taxes instead of relying mainly on debt. But in the years following the global financial crisis, the persistent very low interest rates that took hold caused a number of leading economists to question this orthodoxy.

In his influential theory of secular stagnation, the former U.S. Treasury Secretary Lawrence Summers posited that real (inflation-adjusted) interest rates would stay low indefinitely because of factors such as adverse demographics, low productivity growth, and chronically weak global demand. Others, such as the economist Paul Krugman and Olivier Blanchard, the former chief economist of the International Monetary Fund, suggested that the secular stagnation cloud had a silver lining in that reliably low rates allow the government to use fiscal policy aggressively without worrying too much about the cost. Normal economic growth would continually swell tax revenues by more than enough to cover glacially rising interest bills on the national debt, the thinking went, at least on average over time. Indeed, so rosy was the interest-rate picture in the 2010s that some economists, including proponents of modern monetary theory, argued that there would be little risk to running larger deficits even when the economy was growing briskly. In this view, which was embraced by progressive politicians such as Representative Alexandria Ocasio-Cortez and Senator Bernie Sanders, deficit spending was a low-cost means of paying for social investment, including ambitious climate protections and policies to reduce inequality.

To be fair, Democrats were hardly in universal agreement about any debt-driven approach. Even as he ran outside deficits to pay for progressive priorities, Biden made clear that over the long run, he hoped to meet the cost by raising taxes, and he might have done so with a larger Democratic majority in the Senate. By contrast, Republican administrations continued to espouse the idea that budget deficits did

An inflationary spiral could send the economy into a lost decade.

not matter if they were used to pay for tax cuts, since higher growth would turn the deficits into surpluses over time. Although this claim was widely understood to be overstated, the general view, including on Wall Street, was that ultralow interest rates would save the day even if the extra growth from tax cuts proved insufficient.

As debt debates became highly politicized, economists who questioned the lower-rates-forever orthodoxy were shunned or ignored. Yet anyone looking at the long history of interest-rate fluctuations would have recognized that a return to higher rates was a distinct, indeed likely, possibility. Consider the interest rate on ten-year inflation-indexed U.S. Treasury bonds, which are often used as a measure of the real interest rate in the economy. The rate fell by roughly three percentage points between September 2007 and September 2012, a collapse that can hardly be explained by slow-moving trends such as demographic decline and falling productivity. A far more plausible explanation was the prolonged effects of the global financial crisis and its aftermath. As with other past financial crises, these effects would eventually end, and one might reasonably have guessed that the era of ultralow interest rates would end as well.

True, some of the factors that contributed to very low interest rates are still present today, including aging populations in most advanced countries. But there are plenty of reasons to think that long-term interest rates will remain higher well into the future. Foremost, government debt is exploding globally, putting upward pressure on U.S. rates in a world of integrated capital markets. For example, the average net debt-to-GDP ratio for the G-7 countries has grown from 55 percent in 2006 to 95 percent today. In fact, the United States is not even the worst offender: Japan's net debt-to-GDP ratio is 134 percent (its gross public debt is a staggering 235 percent of GDP). For Italy, the ratio is 127 percent; France, 108 percent; and the United States, 98 percent. Other upward pressures on interest rates include the rise in many countries of populist parties, which are pushing for more domestic spending; AI's voracious appetite for electricity, which generates a huge demand for investment that has to be financed; tariff wars and the fracturing of global trade, which are forcing companies to invest in reshoring, with massive borrowing; and the ever-growing cost of adapting to climate change and responding to climate disasters. Although some economists, taking note of these trends, have begun to reconsider the seductive assumptions of the 2010s, there is little sign that Washington has. And

with high interest rates, already vertiginous levels of debt, political upheaval, and challenges to Fed independence, there is now a real risk that a fresh economic shock could precipitate a broader collapse.

THE GREAT RECESSION

How and when a debt crisis in the United States could unfold is now the \$37 trillion question. In one scenario, the trigger will be a collapse of confidence by investors in U.S. Treasuries—a “crack in the bond market,” as Jamie Dimon, the CEO of JPMorgan Chase, warned in May—meaning a sudden spike in interest rates that revealed a larger problem. This is not as hyperbolic as it may sound; debt crises often build up steam quietly for what seems like forever before erupting unexpectedly. Alternatively, investors’ growing fears about the safety of their money could cause a gradual rise in Treasury bond yields over many months or even years.

Rising interest rates do not in themselves constitute a crisis. But if driven by debt concerns, they will push down stock and housing prices, make business investment more challenging, and raise the cost of servicing government debt. If this process unfolded slowly, the government would have time to react. If it doesn’t do so forcefully—typically, by closing the current budget deficit and credibly committing to fiscal rectitude—markets would smell blood, interest rates would go up even more, and the government would need to make even bigger adjustments to steady the ship. As long as the country remained stuck in this high-interest debt purgatory, business and consumer confidence would be low and growth would stall. The usual U.S. solution of running a giant deficit would likely backfire and lead to even higher interest rates. To escape this situation without crushing austerity measures, the government would almost certainly reach for heterodox options that are today more usually associated with emerging markets.

For one, the United States could default outright (in the legal sense) on its debt. It has done so before. In 1933, President Franklin Roosevelt abrogated the so-called gold clause for U.S. Treasury debt, which guaranteed creditors that they could choose to be paid in gold, instead of dollars, at \$20.67 per ounce. The next year, the conversion rate of dollars to gold was set at \$35 per ounce, sharply devaluing the currency. In a highly controversial case, the Supreme Court ruled in 1935 that Roosevelt’s abrogation of the gold clause in public debt

was indeed a default. But under enormous political pressure from the president, the court simultaneously ruled that creditors were not entitled to compensation because no harm had been done. Really? For foreign central banks across the world that had been holding U.S. Treasury bonds on the assumption that they were as good as gold, the 1933 default was quite painful.

Given that the United States can print dollars rather than refuse to honor its debt, a far simpler option is to use high inflation to achieve a partial default. Of course, the independence of the Fed poses a significant obstacle to this, but not an insurmountable one in a true crisis. The Fed's independence is not mandated by the Constitution, and the president has many ways to induce it to lower interest rates. The first, clearly, is to appoint a chair who believes it will be in the national interest to radically cut interest rates, even if that creates inflation. This solution, however, has limits, starting with the fact that Fed chairs serve for four years, and the Supreme Court has indicated, in a May ruling, that the president cannot fire them over policy differences. Moreover, the Fed chair leads the Open Market Committee, which consists of the seven Fed governors in Washington, the president of the Federal Reserve Bank of New York, and four rotating representatives of the 11 other regional Federal Reserve Banks. These positions typically rotate infrequently; a full term for a Fed governor is 14 years, and only one position is guaranteed to open up in 2026.

With the cooperation of Congress, however, the president can do much more. For example, Congress could empower the Treasury to dictate the Fed's short-term interest rate target during a national emergency, including a debt crisis. This is more or less what happened in World War II and its immediate aftermath. It could also pack the Federal Reserve Board with new members, as Roosevelt threatened to do with the Supreme Court in the 1930s. A battle of that scale between the Fed and the president would take the country into uncharted territory. But even if the Fed submits and cuts rates sharply, inflation is not the get-out-of-jail-free card some believe it to be. Whereas a truly massive bout of hyperinflation, such as what happened in Germany after World War I, would effectively wipe government debt off the books, it would wipe out the rest of the economy, as well: ask the citizens of Venezuela and Zimbabwe, who have suffered epic hyperinflation in this century. More plausibly, a few years of 1970s-style inflation—in 1979 inflation reached more than 14 percent per year in

the United States—would crater the value of long-term bonds but have less effect on short-term debt, which would have to be refinanced at higher interest rates. And such a prolonged spike would likely be very damaging to both the U.S. and the global economy.

One way to manage the effects of inflation is to use it in conjunction with financial repression. In this strategy, governments stuff public debt into the financial sector via banks, pension funds, and insurance companies, with the central bank typically buying massive quantities as well. By creating a vast captive market for public debt, the government can lower the interest rate it has to pay and significantly reduce the odds of any sudden flight from its bonds. Financial repression can be made more potent by restricting other assets people can hold or by imposing interest rate controls. This is not as exotic as it sounds: governments around the world have used financial repression for most of modern history. After World War II, governments leaned heavily on financial repression to help inflate their way out of massive public debts. Without financial repression, U.S. debt in relation to GDP would likely have continued to grow from 1945 to 1955; instead, it fell by more than 40 percent. In some countries, notably the United Kingdom, results were even more dramatic. Today, the strategy is especially widespread in emerging markets, but Europe used financial repression to hold the euro together during the European debt crisis, and Japan has used it on an even greater scale; the Bank of Japan alone holds Japanese government debt equal to nearly 100 percent of the country's income.

Since the global financial crisis, the United States has also pursued some financial repression through financial regulations and Federal Reserve purchases of long-term Treasury bonds. In a pinch, it could do much more. Financial repression is particularly effective in a high-inflation environment, in which, ordinarily, markets would drive up interest rates on government debt. On the other hand, repression negatively affects long-term growth by absorbing bank financing that could be going to the innovative firms in the private sector. The use of financial repression to deal with high debt is hardly the only reason for Japan's miserable growth record over the past few decades, but it is certainly a leading one.

No country has been able to sustain a dominant currency without also being a superpower.

As the Japanese experience has shown, financial repression would offer no panacea to the United States. It really only works on domestic savers and financial institutions that cannot easily avoid the implicit tax on their savings and income. If Washington used it in a large-scale way, foreign investors, who now hold close to a third of the U.S. debt, would try to flee, and it would not be easy to stop them without engaging in outright default. Moreover, the United States is highly dependent on its financial sector to drive its exceptionally innovative economy. And just as the costs of inflation fall most heavily on lower-income individuals, so, too, do the effects of financial repression, since the wealthy have workarounds.

Alongside default, austerity, inflation, and financial repression, a prospective new option for dealing with high debt is emerging, whose costs and benefits are not yet fully understood. This involves a form of cryptocurrency called dollar stablecoins. Unlike conventional cryptocurrency such as Bitcoin, whose dollar value fluctuates wildly, stablecoins are pegged to the dollar, typically at a value of one to one. New U.S. legislation passed by Congress in 2025 has attempted to provide a clear regulatory framework by requiring that U.S.-based dollar stablecoins hold a mix of Treasury debt and federally guaranteed bank deposits sufficient to (almost) pay off all coin holders in the event of a run. This requirement could potentially create a captive pool of stablecoins whose issuers hold large quantities of Treasury bills. To the extent that stablecoins compete for funds that might normally be allocated to banks, they provide a backdoor to routing bank deposits into Treasury debt. For now, it is unclear whether the new legislation will promote stability or undermine it, given a number of unresolved issues having to do with the risk of runs on stablecoins and how their circulation can be audited to prevent their use for criminal purposes or tax evasion.

In principle, the Federal Reserve can also issue its own stablecoin, or central bank digital currency. This, too, would compete with bank deposits and channel savings toward Treasury debt unless the funds were in turn used in lending to the private sector, a process that would create its own problems. A Fed digital currency would differ from stablecoins in other important ways. For one thing, it would, by design, be backed by the full faith and credit of the United States government, and presumably tracking its use would pose less of a concern. On the other hand, competitive private stablecoins would likely be far more innovative. Although none of the available options

for dealing with unsustainable debt are particularly attractive, it is nevertheless important that the government begin to contemplate them seriously. Not only does Washington need to be prepared for the next shock when it comes, but politicians and policymakers must also recognize what will happen if the government continues to assume that the United States can never have a debt crisis.

END OF AN EMPIRE

For too long, the status quo approach in Washington has been to ignore the massive debt problem and hope that a return to miraculous levels of growth and low interest rates will take care of it. But the United States is approaching the point at which the national debt could undermine not only the country's economic stability but also the things that have sustained its global power for so many decades, including the military spending that it has leveraged in many ways to maintain the dollar's formidable influence over the global financial system since World War II. Whether in the case of Spain in the sixteenth century, the Netherlands in the seventeenth century, or the United Kingdom in the nineteenth century, no country in modern history has been able to sustain a dominant currency without also being a superpower.

The United States may avoid a debt crisis, and Trumpian and progressive economists who count on growth dividends ultimately outweighing the interest costs of higher debt may turn out to be right. But the debt policy that both the Republican and the Democratic Parties have engaged in over the first quarter of the twenty-first century amounts to a huge wager on long odds, especially if the country wants to remain a dominant power for the rest of this century and beyond. Given the current trajectory of deficits, it has become much more difficult to sustain the belief that no matter how high U.S. debt gets, it will have no effect on the country's capacity to fight financial crises, pandemics, climate events, and wars. And it will certainly be a drag on the country's growth.

It is impossible to predict how and when a U.S. debt problem may erupt and what the consequences will be: unpalatable austerity, high inflation, financial repression, partial default, or a mix of these. There are strong reasons to assume that inflation will have a pronounced part, as it did during the 1970s. Regardless, a debt crisis will be destabilizing for the United States, the global economy, and the dollar's reserve status. Left unchecked, it could erode the country's position in the world. 🌐

What Kind of Great Power Will India Be?

Debating New Delhi's Grand Strategy

The Liminal Power

NIRUPAMA RAO

Ashley Tellis's recent essay, "India's Great-Power Delusions" (July/August 2025), offers a searing critique of the country's strategic posture. Tellis argues that India overestimates its influence on the world stage while lacking the economic heft, military capacity, and alliances to back its great-power ambitions. He warns that India's attachment to strategic autonomy and multipolarity risks making the country irrelevant in an era of intensifying bipolarity, when the competition between China and the United States will shape geopolitics.

This thesis is well supported by observable gaps in India's capabilities, but it flattens the rationale behind New Delhi's foreign policy orientation. A more nuanced critique would require

understanding India not as a delusional power but as a liminal one—a state standing on a geopolitical threshold, deliberately navigating ambiguity to preserve flexibility and autonomy in a global order that is not simply cleaving in two but fracturing in more complicated ways.

India's foreign policy is best understood through the lens of liminality, the condition of existing between worlds rather than in a fixed role or within a bloc. India is not a classic great power, but neither is it merely a regional actor. It is a titan in chrysalis, whose \$4.1 trillion economy, rapidly expanding defense capacity, and influence among many countries of the so-called global South signal not delusion, but a conscious avoidance of rigid alignments. Tellis sees India's pursuit of multipolarity as a strategic liability. Instead, it is a form of adaptive realism, an intentional pivoting strategy necessitated by geography, history, and structural constraints in the international system.

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THE LOGIC OF BEING IN BETWEEN

India's geography alone justifies this cautious balancing act. Flanked by two nuclear adversaries—China to the

north and Pakistan to the west—India cannot afford to align too closely with the United States without becoming more vulnerable to entanglement in great-power conflicts or retaliation from regional adversaries. Its borders are not buffered by oceans, as is the case for the United States; instead, they are live fault lines. This reality mandates engagement with rivals, particularly China. India's relationship with China is a watchful one, marked by both détente and deterrence, a formula that seeks to manage competition without inviting conflict.

Tellis is correct in observing that India's military capabilities, while expanding, do not yet provide it with an edge in deterring China. Nor does India currently project force beyond its near seas. What he underestimates, however, is India's strategy of "distributed leverage": a mix of defense modernization, diversified procurement, and regional engagement. India is not standing still; it is moving forward, not by mirroring great powers, but by leveraging multilateralism—smaller-scale collaborations between a few countries—and issue-based coalitions. These include the security partnership known as the Quad, featuring Australia, India, Japan, and the United States; the I2U2 partnership with Israel, the United Arab Emirates, and the United States; and a trilateral initiative with France and the UAE. Such groupings are not substitutes for alliances but alternatives that provide security dividends without sacrificing India's autonomy. This is not delusion. It offers a strategic architecture in tune with liminality.

Tellis also critiques India's aversion to formal alliances, suggesting

that strategic autonomy leaves New Delhi without reliable partners in a crisis. Here, too, context matters. India's foreign policy carries the legacy of its postcolonial and Cold War experiences, particularly its ability to maintain autonomy amid competing superpower pressures. Its desire for multipolarity today is not naive, but a reflection of the global system's changing structure. The U.S.-Chinese binary may define global military competition, but it does not exclusively determine the ideological commitments and economic priorities of governments around the world. India's preference for flexible engagement resonates with this broader reality and positions it as a pivotal power—one that connects blocs rather than conforms to them.

Indeed, India's strength lies in its role as a bridge, not a battering ram; it pursues consensus-building and reform from within the system rather than forceful transformation. Its leadership in the global South, exemplified by its push to bring the African Union into the G-20 in 2023 and its climate finance pledges, suggests a form of moral and institutional leadership that transcends conventional military metrics. India is not trying to dominate the world order—it is trying to reshape it from within by leading a coalition of middle and rising powers that are uncomfortable with both Chinese authoritarianism and Western paternalism. That strategy may be imperfect, but it is not incoherent.

PATIENCE, NOT ALIGNMENT

In economic terms, Tellis is right that India's per capita GDP, infrastructure bottlenecks, and trade protectionism

constrain its rise. But the trajectory matters. India's recent gains in semiconductor production, its fast-growing digital infrastructure (such as India Stack, a platform providing the entire Indian population with essential digital services that handle identity information, personal data, and payments), and a projected \$10 trillion GDP by 2040 point to a transformation in progress. Like the United States, which remained largely agrarian until the mid-nineteenth century and then transitioned during a period of rapid and significant industrialization to become an assertive global power in the late nineteenth century, India is building the institutional and material base for a more decisive role in the international order. Until then, strategic patience—not alignment—is its rational choice.

Tellis's warning that India may not be able to shape the international order unless it chooses sides presumes a binary that India and many other countries reject. In a world increasingly defined by fragmentation rather than consolidation, the ability to adapt may be a greater asset than any fixed alignment. India's tightrope walk is not a refusal to grow up—it is a recognition that in today's world, the tightrope itself may be the only stable ground. In this light, liminality is not a symptom of underperformance; it is a form of power.

Tellis valuably points to gaps between India's ambitions and its capabilities and the risks of overconfidence in New Delhi. But India is not deluded about its power—it is deeply aware of its constraints and is crafting a foreign policy to match. Rather than misreading its liminality as indecision, he should see it

as purposeful and as a refusal to be cast in the mold of great powers past. India's moment of full assertion may still lie ahead, but its ability to bend without breaking, to engage without surrender, is not a sign of strategic failure. It may, in fact, be India's greatest strength.

The Nimble Power

DHRUVA JAISHANKAR

Tellis argues that India's grand strategy misreads the international environment, that New Delhi is misguided in striving for multipolarity, and that it is short-sighted in its aversion to an alliance with the United States and its preference for strategic autonomy. These assertions mischaracterize India's objectives and priorities and neglect to mention efforts by successive Indian governments that more accurately reflect India's approach to international affairs. More surprisingly, Tellis sidesteps the fact that it is the United States that is today reluctant to engage in alliance-like commitments, not just with India but with most of its long-standing treaty allies. Washington is reconsidering the terms of its security guarantees in Europe, troop levels in South Korea, defense contributions to Japan, and the transfer of submarine technologies to Australia. Unlike many other partners in Asia or the Middle East, India does

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not seek aid, bases, or troops from the United States. Indeed, as U.S. Undersecretary of Defense Elbridge Colby wrote last September, “India is an ally in the old sense—to be regarded as an independent and autonomous partner. We need more of that kind of [ally], rather than dependencies.”

In many respects, Tellis is harking back to a world that no longer exists. The era of the United States overseeing a unipolar order is over. To be sure, the United States remains the world’s preeminent power, with its share of the global economy remaining steady at around 26 percent from 1991 to today. But Washington is now keen on resetting the terms of globalization and renegotiating its commitments in Europe and Asia. China, which now accounts for 17 percent of the global economy, has become a near peer competitor to the United States, and the two countries’ competition is playing out in virtually every domain. Despite noteworthy defense production increases in Europe, most advanced industrial economies are struggling with aging and declining populations, discord over immigration, strains to welfare systems, slowing innovation, and military dependence on the United States. Apart from the United States, the six other members of the G-7 (Canada, France, Germany, Italy, Japan, and the United Kingdom) have seen their share of the global economy contract from 42 percent to 18 percent since 1991. Russia’s robust military operations in Ukraine and war-propelled economy belie the country’s frailties and a growing dependence on China. The world is witnessing a more contested

Indo-Pacific, a more violent Middle East with several capable regional powers, and a multitude of countries in Africa, Asia, and Latin America coming into their own.

A STRATEGY FOR THE WORLD AS IT IS

This is the global landscape that India will have to navigate as it rises. Since 1991, India has more than tripled its share of the global economy, to four percent, and is on track to become the third-largest economy by the end of the decade, albeit still far behind the United States and China for the near future. It has a relatively young and large workforce, even as total fertility has begun to fall below replacement levels. India’s geopolitical environment, although shifting and uncertain, is far more favorable than what it contended with in the past, when it had to deal with the partition of the subcontinent, dependence on Western powers for aid, internal separatist conflicts, and major wars without the benefits of food security, a nuclear deterrent, or global market access. Except for China and Pakistan, with which it has significant territorial disputes, India has largely cooperative partnerships with most major countries and regions, including Japan, Russia, the United States, Europe, and the countries of the developing world.

Nonetheless, challenges abound. With China, India faces a compound threat that includes a disputed and militarized border; an unsustainable trade deficit; intensifying competition in the Indian subcontinent and Indian Ocean region; broad Chinese military and diplomatic support for Pakistan;

and resolute opposition at multilateral institutions, including the UN Security Council. From Pakistan, India continues to confront state-backed terrorism under the protection of Islamabad's nuclear umbrella. Other recent developments have also shaped Indian decision-making. The COVID-19 pandemic exposed vulnerabilities in the country's health supply chains. The 2020 border clashes with China underscored the importance of establishing greater economic independence from Beijing. The war in Ukraine highlighted India's supply chain constraints when it came to defense production and energy and food security. These challenges have inspired determination—and purposeful action.

To address these issues, India has embarked on a strategy of domestic production and diversification intended to strengthen its security, improve its population's prosperity and well-being, and advance critical national interests. It has redoubled defense industrialization efforts, resulting in an increase from almost negligible amounts to \$2.5 billion in defense exports, including to countries such as Armenia and the Philippines. Its largest export destination for defense items is, in fact, the United States. India has also rolled out an industrial policy that includes almost \$50 billion in subsidies and state-backed financing for the manufacturing and development of critical and emerging technologies. This has begun to reap dividends in the export of electronics and aerospace components, although other critical sectors, such as electric vehicle batteries, could prove more difficult to develop.

In its diplomacy, India has reprioritized its near neighborhood, extending financial, developmental, and trading benefits to other South Asian countries and revitalizing more productive regional institutions. It has attempted to counter Pakistan's support for terrorism through both military means—by striking terrorist infrastructure in Pakistan—and nonmilitary means, such as suspending trade and water privileges. India has broadened economic, security, and connectivity cooperation with the Middle East, particularly with Israel and the Gulf Arab states, including as part of the new economic initiative known as the India–Middle East–Europe Economic Corridor. It has been working to preserve a balance of power in the Indo-Pacific by deepening security and diplomatic cooperation, bilaterally and through organizations, with other regional powers. And it seeks to advance its global governance objectives by attempting to revitalize multilateral bodies such as the United Nations, build new institutions such as the International Solar Alliance, and engage the countries of the global South on shared priorities such as the reform of global institutions and food, health, climate, and energy security. These are the outlines of India's major international activities over the past decade or more.

THE NECESSITY OF AUTONOMY

In most instances, these undertakings complement U.S. objectives. The three Indian prime ministers who have governed the country since 1998 have made strenuous efforts to deepen cooperation with the United States.

The U.S.-Indian partnership now extends to most domains of international policy, from energy and technology to defense and trade. India's other closest global partners, apart from Russia, are all traditional U.S. allies, including Australia, Japan, the United Kingdom, and the European Union. The concern now is not diffidence in New Delhi, but diffidence in Washington. U.S. President Donald Trump has made it clear that in a world of "America first," everyone is in it for themselves. Despite the broadening and deepening U.S.-Indian partnership, strategic autonomy is today both a necessity and an advantage for India.

Similarly, multipolarity is a natural aspiration for an India seeking to advance its own interests in a contested world. Indian policymakers see no viable alternatives: the world is not reverting to a unipolar world order led by the United States; an alliance is not on offer in a bipolar world of competing American and Chinese blocs; and a bipolar condominium of China and the United States would marginalize India. Multipolarity should also not be mistaken for a "partnerships with all states but privileged relationships with none," as Tellis has characterized it. It means having privileged relationships with many as part of necessary diversification. India's current priorities are evident in its flurry of recent activities and agreements, including joining the U.S.-backed Artemis Accords (regarding space exploration) and the Minerals Security Partnership (regarding critical minerals supply chains) in 2023 and concluding or advancing trade agreements with the United Kingdom, the United States, and the European

Union this year. This is a grand strategy based not on wishful thinking but on a pragmatic reading of the evolving international order.

The Quad Power

LISA CURTIS

As Tellis makes clear, India's long-held strategy of promoting a multipolar world order has become counterproductive for New Delhi. The concept of a multipolar order is seductive to Indian policymakers, who think India would have more influence if global power were dispersed. Such calculations may have made sense 25 years ago, when India, with its rapid economic growth, seemed poised to challenge China's influence in Asia. In the last two decades, however, China has widened the power gap with India considerably, in economic as well as military terms. That deficit means that India's vision of a multipolar order, in which power is evenly distributed among a handful of countries, is no longer realistic. Worse, seeking such an order now plays directly into China's hands. China and Russia both push for a multipolar world to overturn international norms and institutions

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that have largely kept the peace in the Indo-Pacific for the last 50 years. Far from aiding India's rise, multipolarity would only confirm Chinese hegemony in Asia and make India more vulnerable to Chinese aggression.

A shrewder policy would have India reaffirm the importance of the U.S.-led rules-based order in the Indo-Pacific region. Despite the growing economic gap between India and China, New Delhi can still play an important role in shaping geopolitical trends and acting as a counterweight to Beijing. The principal way India can both fend off China and ensure stability in its neighborhood is through the existing Indo-Pacific partnership known as the Quad.

FOUR THE WIN

The Quad, which consists of Australia, India, Japan, and the United States, was first mooted in 2007 but then was brought to life in 2017 during the first Trump administration to encourage greater cooperation in dealing with the challenges of a rising China. It has since become critical to the security and stability of the Indo-Pacific as the partnership strives to maintain a free and open region in which countries are not subject to Chinese coercion. India must continue to invest in building the partnership by helping fund the Quad's economic initiatives and by becoming more willing to support the Quad's security-related activities, especially those that aim to ensure freedom of navigation in the Indian Ocean and the South China Sea. New Delhi need not sacrifice its strategic autonomy to work closely with the Quad, but it should give the Quad

pride of place in its foreign policy and deepen strategic and security ties with all three participating countries.

Notwithstanding its disruptions to the global trading system and lack of clarity on support for European security, the Trump administration is committed to advancing the Quad as a centerpiece of its Indo-Pacific strategy. U.S. Secretary of State Marco Rubio's decision to hold a meeting of Quad foreign ministers on his first day on the job sent a signal to China about the administration's willingness to work with allies and partners to meet challenges in Asia. In July, the Quad foreign ministers held another meeting, in which they announced initiatives to secure and diversify critical minerals supply chains, improve cooperation on maritime law enforcement, mobilize government and private investment for port infrastructure projects, strengthen policies and regulations regarding undersea cables, and plan for global health emergencies.

India has warmed up to the Quad during the last five years, especially following the 2020 border clashes with China. It is still reluctant to advance the Quad's military activities, and, unlike Australia and Japan, is not an alliance partner of the United States. But it should do more. The connections that run through India bridge the Indian and Pacific Oceans. New Delhi also brings economic weight and regional credibility to the partnership. The Quad's other members should acknowledge that India feels vulnerable to China because of their ongoing border dispute; New Delhi therefore does not want the Quad to become anything that resembles

a security pact. Still, the Quad can quietly engage in crisis contingency planning, as well as strengthen maritime security initiatives, which will help check China's ambitions in the disputed waters of the South China Sea and elsewhere. The Quad-at-Sea Ship Observer Mission that recently sailed from Palau to Guam is an example of how the four countries can work together to check unlawful and aggressive maritime activities.

INDIA'S BEST BET

India would have a better chance of achieving its great power ambitions if it shed its attachment to the illusion that a multipolar world order would better accommodate its rise. Indian policymakers must recognize that a multipolar world order simply means the rise of China and Russia at the expense of U.S. global influence and power. Rather than supporting this process, or standing by as it unfolds, India should help the United States thwart it. The best way for India to make up for its failure to keep pace with China's economic growth and military might is to commit more fully to a rules-based order that it can help shape but is unlikely to lead. This means getting closer to the United States and investing heavily in the Quad.

Tellis replies:

In "India's Great-Power Delusions," I contend that India has made significant moves toward becoming a great power since the acceleration of its economic growth

after reforms in 1991. Yet this performance has failed to match China's post-reform record, ensuring that when both countries reach their respective centenaries as modern states around the middle of the century, New Delhi will still be substantially weaker than Beijing. Since the United States, even with conservative assumptions and despite its current dysfunction, will tower over both Asian giants, the case for New Delhi cementing a privileged partnership with Washington to balance Chinese power is compelling. New Delhi's obsession with pursuing multiple strategic alignments to realize global multipolarity, however, undermines the forging of such a compact with the United States that would improve India's security and elevate its status over the coming decades.

Consequently, Dhruva Jaishankar's claim that I sidestep "the fact that it is the United States that is today reluctant to engage in alliance-like commitments, not just with India but with most of its long-standing treaty allies" may reflect a simple misunderstanding. My article focuses on the long-term trajectory of Indian and Chinese power and its resulting predicaments for New Delhi. U.S. President Donald Trump is, for the time being, certainly disdainful of U.S. alliances and partnerships. But this is his last term, and the challenges I highlighted for both India and the United States will survive Trump. Furthermore—and simply as a matter of fact—in the twenty-first century, successive U.S. administrations since that of President George W. Bush, including Trump's first one, have sought an alliance-like relationship with India. Yet it is New

Delhi that has invariably demurred for reasons that are understandable but not always defensible, especially when Indian policymakers should be concerned about the future balance of power in Asia.

Which leaves the question of what India should do still unanswered. Here, Nirupama Rao responds that India, “a titan in chrysalis,” cannot wed itself to any single great power, owing to its history and its ambitions. Rather, it must navigate “ambiguity to preserve flexibility and autonomy in a global order that is not simply cleaving in two but fracturing in more complicated ways.” But China has risen as a hostile superpower right on India’s doorstep, and India cannot protect itself by relying on either international institutions or its own resources. India, indeed, may be a titan in chrysalis, but it faces a pugnacious behemoth that it cannot deter on its own. This alone should inexorably propel New Delhi to consummate a new geopolitical alignment with Washington because the latter, too, is threatened by Beijing, albeit for different reasons and in different ways.

Rao defends India’s aversion to such a consummation by declaring that the country “cannot afford to align too closely with the United States without becoming more vulnerable to entanglement in great-power conflicts or retaliation from regional adversaries” and, as such, “seeks to manage competition without inviting conflict.” Although these fears are understandable, Rao’s contention glides over the fact that China (together with Pakistan) is already embroiled in active hostilities against India, threatening its frontiers, undermining its economic growth, and

boxing it within the subcontinent. What New Delhi needs, therefore, is deterrence. The “security dividends” that Rao says may come from India’s economic and technological growth and its multiple foreign partnerships will not keep China at bay; only a clear geopolitical convergence that produces new forms of cooperative defense with the United States will allow India to stave off Chinese aggression.

And, yes, Washington remains both capable and interested—Trump’s current inhibitions notwithstanding—in exploring such an arrangement. Because U.S.-Chinese competition will outlast Trump’s presidency and will persist even if Trumpism survives his departure from office, future nationalist U.S. administrations will inevitably gravitate toward coalition strategies to neutralize Beijing. The United States, now and in the future, is still India’s best hope for successfully parrying China.

ABOVE ALL OTHERS

Jaishankar counters this argument in the first instance by describing India’s myriad efforts to modernize its economy and defense base and diversify its international partnerships. As impressive as these may be, they do not compare to China’s achievements. And that is precisely the point: India cannot balance China either on the strength of its own undertakings or in collaboration with other strategic partners—save the United States. Jaishankar then argues that New Delhi is already collaborating with Washington in historically unprecedented ways, pointing to the numerous current initiatives as proof.

But this story misses my underlying critique. Because India, even as it deepens its relationship with Washington, pursues, in Jaishankar's words, "privileged relationships with many"—including with other U.S. competitors—the United States is inhibited from supporting India fully. Although Washington has declared its intention to treat New Delhi on par with its allies, the history of the last quarter century demonstrates that there are thresholds regarding political support, technology transfers, and intelligence sharing, for instance, that the United States simply will not cross because India often cavorts with American adversaries. Highlighting the many schemes that Washington and New Delhi have unveiled as part of their tongue-twisting declaration of a "Comprehensive Global and Strategic Partnership" ignores the fact that the United States is reluctant, and will justifiably continue to be reluctant, to aid India as long as New Delhi does not prize Washington as a select partner above all others.

Lisa Curtis drives this point home penetratingly when she observes that India's desire to create "a multipolar world order simply means the rise of China and Russia at the expense of U.S. global influence and power." Washington will not stand by mutely as India pursues such a policy. And Indian policymakers, being arch realists, should not expect the United States to support their country as they advance this goal. India cannot expect to come out ahead in its competition with China when the United States is inhibited in supporting New Delhi because many Indian policies run counter to American interests.

THE HARES AND THE HOUNDS

Fortunately, there is a path forward, but it requires India to reconsider some elements of its grand strategy, especially its habit of running with the hares while hunting with the hounds. Great powers are marked by their capacity to make painful choices—great-power wannabes have to make tough choices, too. Attempting to constantly walk a tightrope because, in Rao's words, it "may be the only stable ground" works only as long as the rope holds.

It should be consoling to New Delhi that a special relationship with Washington does not require an alliance centered on collective defense. Curtis emphasizes that a sturdy commitment to the Quad is itself a worthwhile first step. Yet India continues to object to what it calls the "securitization" of this coalition even though the United States and its partners are struggling to balance China militarily. It may well be that a long-term solution lies in constructing "a collective defense pact in Asia," as Ely Ratner has argued recently in these pages. After all, if military balancing fails, little else that the Quad and others do matters very much.

But until such an Asian mutual assistance system can be institutionalized, India can work seriously with the United States to implement a strategy focused on cooperative defense aimed at checking Chinese aggression, dealing with crises, and preventing wars. Unfortunately, today, for all the transformations in the bilateral relationship during the last few decades, India is still reluctant to embark on such a course, leaving itself highly vulnerable to China. 🌐

Grand Chessmaster

The Strategies of Zbigniew Brzezinski

TOM DONILON

Zbig: The Life of Zbigniew Brzezinski, America's Great Power Prophet
BY EDWARD LUCE. Simon & Schuster, 2025, 560 pp.

Twenty-nine people have formally served as U.S. national security adviser since the National Security Act of 1947 established the post. Originally described as the “executive secretary” of a small coordinating body, the National Security Council, to “assess and appraise” U.S. national security objectives and consider policies to advance those goals, the position has evolved into one of the most demanding and powerful roles in the U.S. government. Two people who have held the title stand out from the rest: Henry Kissinger and Zbigniew Brzezinski. They both came to North America from Europe as children before World War II—Kissinger from Germany, Brzezinski from Poland—arriving in New York Harbor within six weeks of each other in 1938. They clashed and competed in their professional lives for

more than half a century. They were stars of the postwar generation of international relations scholars who, by the sheer force of intellect, ambition, and will, rose to the top of the U.S. national security establishment. Both had an outsize effect on U.S. history and grand strategy.

There have been more than a dozen biographies of Kissinger, yet far fewer of Brzezinski. The journalist Edward Luce has done his part to address this imbalance with *Zbig*. Luce is a gifted storyteller who chronicles Brzezinski’s personal life, his intellectual journey, and his successes and failures in vivid and honest detail, using a unique collection of primary sources that includes hundreds of interviews with Brzezinski’s family and contemporaries, his personal diaries, and even the files the Polish secret police kept on him for decades.

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In writing this gem of a book, Luce has rendered a genuine service to history. Brzezinski played a significant but underappreciated role in opening the United States to China, bringing the Cold War to an end, and shaping the world that came after. Although his tenure as national security adviser was not without failure—most notably the Iran hostage crisis—Brzezinski's deep understanding of historical forces gave him a unique appreciation of the United States' advantages and how to leverage them for strategic gain. Today, the post-Cold War era that Brzezinski helped usher in has come to a close, and it has left in its wake a more perilous and competitive world. Navigating today's challenges will require a new generation of policymakers to muster the kind of formidable insight that guided Brzezinski through his.

STUDENT OF HISTORY

I first encountered Brzezinski in the White House in 1977 when I was serving as one of President Jimmy Carter's junior aides. Brzezinski exuded an air of confidence, his dignified, hawklike profile and clipped speech befitting the descendant of a family that traced its origins to a centuries-old line of Polish nobility. Brzezinski was born in 1928, the son of a Polish diplomat who was posted in Germany and the Soviet Union for much of the 1930s. Despite spending only three years of his life in Poland, he grew up with a deep reverence for his family's Polish heritage, as well as an implacably anti-Soviet and anticommunist worldview. He came of age as Hitler consolidated power and invaded his homeland, and he watched in horror from his father's

wartime posting in Montreal as Stalin consolidated an increasingly brutal rule. Brzezinski felt a personal sting of betrayal after the Yalta conference in 1945, when the Iron Curtain drew shut across Europe—with Poland on the other side.

Brzezinski would dedicate his academic and professional life to studying and undermining the forces of totalitarianism and authoritarianism that had overtaken his homeland during his childhood. He was ambitious from the start; Luce recounts a 12-year-old Brzezinski describing himself in his school yearbook as an authority on "European Affairs," while his peers claimed such areas of expertise as movies, romance, yawning, and arriving late to class. Brzezinski excelled in Montreal prep schools and later at McGill University, where he would obtain his bachelor's and master's degrees and pen an 80,000-word graduate thesis on Russian nationalism.

It was at Harvard, where Brzezinski enrolled in 1950 to pursue his doctoral studies, that he first crossed paths with his future rival Kissinger. Brzezinski was deciding between two potential mentors, the political scientist Carl Friedrich and the historian William Elliott, and visited each of their classrooms. Pressed for time, Elliott handed over his introductory seminar to his teaching assistant: a young Kissinger, whose reverence for Germanic philosophers Brzezinski found off-putting. Brzezinski ended up choosing Friedrich. For the next nearly 70 years, Brzezinski's and Kissinger's paths were intertwined. Both became Harvard professors—although, after not receiving tenure, Brzezinski moved to

Columbia in 1960. In the 1968 election, they advised opposing candidates—Brzezinski, the Democrat, Hubert Humphrey, and Kissinger, the Republican, Richard Nixon. When Nixon won, he named Kissinger his national security adviser. Luce describes Kissinger's elevation as trajectory-altering for Brzezinski, showing him what was possible for a foreign-born strategist. The day Brzezinski learned of the appointment, he bought a notebook to record the names of those he wanted to hire should he one day assume the role himself. He got his chance when Carter was elected in 1976. Many of the people listed in Brzezinski's notebook became National Security Council officials.

Brzezinski's relationship with Carter began as one of tutor and student, with Brzezinski, the tutor, selecting Carter, the student. In 1973, three years before Carter's election, Brzezinski and David Rockefeller, an influential banker and longtime patron of Brzezinski who supported his rise in policy circles, recruited the then governor of Georgia to join the Trilateral Commission, a nongovernmental organization they had created to strengthen cooperation among the United States, Europe, and Japan. It was through the Trilateral Commission that Carter increased his knowledge of and participation in foreign affairs. The connection between Carter and Brzezinski was not a marriage of ideology or style, but one of mutual respect for the other's intellect and political instincts. Carter selected Brzezinski as national security adviser over the objection of nearly every one of his other advisers, who were concerned about his hard-line ideology, abrasive style, and ability to work with

a team—especially with Secretary of State Cyrus Vance, an establishment icon. These concerns proved valid as Brzezinski clashed with Vance and other cabinet officials over the next four years.

COLD WAR PROPHET

Brzezinski spent decades trying to identify and exploit Soviet weakness. He foresaw the inevitability of communism's "grand failure," as he titled his 1989 book, well before most others did. His 1950 master's thesis predicted that nationalism in Eastern Europe and in the Soviet republics would undermine Soviet control and that Moscow's desire to serve a "civilizing role" in that region could backfire by fueling human rights demands and independence movements. He would expand on these ideas in his first essay for this magazine in 1961 and, as Luce highlights, eventually become one of *Foreign Affairs'* most prolific authors. Later in the 1960s, Brzezinski shared with President Lyndon Johnson his view that U.S. technological advances could hasten Soviet decline; he eventually published those arguments in a 1970 book.

This belief that the effective use of the United States' inherent strengths and exploitation of the Soviet Union's inherent vulnerabilities could tip the scales of the Cold War guided Brzezinski while he served in the Carter administration. His strategy set out to undermine Soviet legitimacy, to counter and deter Soviet expansionism, and to strengthen the U.S. military posture to put more pressure on Moscow. These efforts set the stage for the success of President Ronald Reagan's confrontation with Moscow the following decade.

Brzezinski and Carter took aim at the legitimacy of the Soviet system by promoting human rights within the Soviet Union and the Eastern bloc. During the negotiation of the 1975 Helsinki Final Act, a landmark diplomatic agreement designed to improve relations between East and West, Brzezinski acted as an informal adviser to Western European parties to the talks. Luce describes how, from his position on the sidelines, Brzezinski successfully pushed Western European countries to insist that the pact include human rights commitments from Moscow—over the objections of Kissinger, who worried that the addition would sink the agreement. The Soviets, under the impression (encouraged by Kissinger) that the human rights commitments were mere rhetoric, ultimately conceded. Carter brought the issue into the spotlight in his 1976 campaign, most notably during an October 6 debate with his opponent, President Gerald Ford. Luce tells the story of Brzezinski prodding Carter ahead of the debate to push Ford on the deficiencies of his (and Kissinger's) détente with Moscow and attention to human rights issues. Carter took this advice. A flustered Ford ended up making a historic gaffe when he confidently declared, "There is no Soviet domination of Eastern Europe." Sensing blood in the water, Carter followed up with a call for better enforcement of the human rights provisions of the Helsinki agreement. In what proved to be a close election, Carter's debate performance—and Ford's forced error—may have won Carter the presidency.

Once in office, Carter maintained his emphasis on human rights. He worked to raise awareness of Moscow's

human rights violations, including by publicizing a letter he wrote to the Nobel Peace Prize-winning physicist and dissident Andrei Sakharov and by inviting the human rights activist Vladimir Bukovsky to the White House. As Luce notes, Robert Gates, who served as Brzezinski's White House aide and later became director of the Central Intelligence Agency and secretary of defense, wrote in his 1996 book *From the Shadows* that Carter and Brzezinski's focus on human rights issues planted "fragile seeds" that later bore "lethal fruit." Their efforts delivered a blow to the Soviet Union's international reputation, gave oxygen to dissident movements across the Soviet bloc, and gave people behind the Iron Curtain a favorable view of the United States.

Brzezinski also pushed for a more confrontational U.S. response to Soviet adventurism abroad. Carter was skeptical at first but grew more hawkish as time passed—and when the Soviet Union invaded Afghanistan in 1979, he was ready to back a forceful response. Six months before the invasion, Brzezinski had asked the CIA to develop plans to support the growing mujahideen insurgency against the Soviet-backed regime in Afghanistan. What began in 1979 as a program to supply communications equipment, leaflets, and radio broadcasts flourished over the next decade into a full-scale covert operation that funneled weapons, training, and funding to the Afghan forces fighting the Soviet army. The Soviet Union was thus drawn into a long, costly quagmire that would contribute to its eventual collapse.

Carter's reckoning with Soviet interventionism spurred a late-term military buildup, too—a policy Brzezinski

had consistently pushed as a means to counterbalance the Soviet Union, and a contribution Luce acknowledges but underemphasizes. The administration's final military budget request, which Carter sent to Congress his last week in office, called for the highest level of U.S. defense spending, adjusted for inflation, since the end of the Vietnam War. Even Reagan, who continued to raise U.S. defense spending, did not always propose annual increases as high as Carter's. Carter's initiatives to modernize and upgrade the U.S. military, expand U.S. contributions to NATO, and accelerate the development of advanced systems such as stealth aircraft and precision-guided munitions were the crucial first steps in a transformation of American military power that conventional wisdom credits to Reagan.

The chain of events in the late 1980s that precipitated the fall of the Soviet Union—the loosening of Soviet controls over Eastern Europe; the rise of democratic movements and successful elections, including in Poland; and the fall of the Berlin Wall—was the payoff to the Cold War strategy Brzezinski put in place. In 1980, one of his fiercest critics, the Sovietologist and journalist Strobe Talbott, had condemned Brzezinski in a *Time* article titled “Almost Everyone vs. Zbig.” Nine years later, Talbott conducted a laudatory interview of Brzezinski for the same magazine; this time, the title was “Zbigniew Brzezinski: Vindication of a Hard-Liner.”

THE ESSENTIAL DIPLOMAT

When Carter came into office in 1977, the opening to China that Nixon and

Kissinger orchestrated earlier in the decade had stalled. Nixon had resigned in 1974, and Washington's main interlocutors, Mao Zedong and Zhou Enlai, had both died in 1976. Opposition in Congress and tensions with Beijing over the war in Vietnam hampered progress. Luce notes that by the end of the Ford administration, “a demoralized and exhausted Kissinger said that he had never believed that normalization was possible.” Brzezinski arrived with what was at the time an unpopular view. Sizing up the U.S.-Chinese relationship through the lens of Cold War competition, he believed not only that normalization was still achievable but also that China could become a strategic counterweight to the Soviet Union. Luce recounts how Brzezinski was encouraged in this belief by an early conversation with Singaporean Prime Minister Lee Kuan Yew, who agreed. Brzezinski pried the China account out of the hands of the State Department, whose leaders did not support normalization. He badgered Carter for four months until the president approved—over Vance's objections—Brzezinski's May 1978 trip to China.

In Beijing, Brzezinski spent some 11 hours with Chinese officials, including Chinese leader Deng Xiaoping. He went to great lengths to exclude the State Department from the key meetings. Luce recounts that on the flight back to Washington, the State Department's Richard Holbrooke and the National Security Council's Michel Oksenberg got into a physical fight over access to a memorandum on Brzezinski's meetings with Deng. During those conversations, Brzezinski bonded with Deng over their

shared distrust of the “polar bear”—the Soviet Union—but had to repeat many times that Washington had “made up its mind” to carry on with normalization before Deng and his colleagues started to believe him. The visit yielded follow-up engagements and new cooperative arrangements, including a major joint intelligence-gathering effort on the Chinese-Soviet border. It set the course for a partnership with China that went deeper than the surface-level ties brokered by Nixon and Kissinger.

The historical record gives Nixon and Kissinger vastly more credit for the Cold War masterstroke of peeling Beijing away from Moscow than it gives Carter and Brzezinski. That imbalance may simply be the function of the respective public affairs skills of Kissinger, who wrote extensively about his own role in the opening, and Brzezinski, whose accounts did not have the same reach. Luce, in writing Brzezinski’s history, has corrected the record. The Carter administration’s diplomatic initiative, together with the 1979 passage of the Taiwan Relations Act, established a durable basis for stable relations among the United States, China, and Taiwan. And given all that stood in the way of normalization—including Carter’s reluctance and the opposition of most other parts of the U.S. government—it simply would not have happened without Brzezinski driving the process to the finish line.

A RESPONSIBLE PARTY

If the opening to China was the high point of Brzezinski’s tenure as national security adviser, the nadir was the Iran hostage crisis, a 14-month standoff

that likely cost Carter a second term and set the stage for four decades of implacable hostility between Washington and Tehran. The tragedy unfolded in three acts.

The first was the failure of the State Department and U.S. intelligence agencies to recognize the vulnerability of Iran’s leader, Mohammad Reza (Shah) Pahlavi, the United States’ key partner in the Middle East, to a growing movement to overthrow him. Four months before the shah fell, the Defense Intelligence Agency assessed that he “was expected to remain actively in power over the next ten years.” The U.S. ambassador to Iran did not contemplate the fall of the shah until two months before it happened, in a cable to Washington titled “Thinking the Unthinkable.” Luce points out that U.S. intelligence agencies had used Iran as a base to monitor the Soviet Union and had underinvested in operations to understand the country’s internal situation, relying instead on the shah’s security services for local intelligence. He concludes, with good reason, that Washington’s “serial blindness on Iran amounts to one of the most egregious failures in the history of America’s diplomatic, security, and intelligence apparatus.”

The second act was the decision to admit the shah into the United States for medical treatment in October 1979. At the time, Washington was working to establish a relationship with Iran’s new government. The senior U.S. official in Tehran, Bruce Laingen, warned that admitting the shah would put Americans in Iran in extreme danger and could destroy relations with the new leadership in Tehran.

Luce notes that Carter was subject to a “virtual siege” from the shah’s allies in the United States, led by Rockefeller—Brzezinski’s longtime patron—as well as Kissinger and the influential foreign policy lawyer John McCloy. Brzezinski himself pressed Carter on the issue repeatedly and even arranged for Rockefeller to make the case to Carter directly. Carter was unmoved until the State Department shared a report from doctors brought in by Rockefeller that falsely claimed the shah had become so gravely ill that he could be saved only by American medical treatment. Before he agreed, Carter asked, “What are you guys going to advise me to do if they overrun our embassy and take our people hostage?” The shah was admitted to the United States on October 22. On November 4, the American embassy in Tehran was overrun, and 66 Americans were taken hostage. Fifty-two remained in custody for 444 days.

The final act was Operation Eagle Claw, the failed mission to rescue the hostages. At the start of the crisis, Brzezinski had tasked the military with devising a rescue plan. Over the course of six months of failed diplomatic efforts to free the hostages, their fate became a national obsession. The military mission ended in a fiery helicopter crash in the Iranian desert in April 1980, killing eight American service members, and was a spectacular embarrassment for the United States and for Carter.

I studied Operation Eagle Claw while serving as national security adviser under President Barack Obama, in preparation for overseeing the administration’s 2011 raid into Pakistan in

pursuit of Osama bin Laden. The Carter administration’s plan was impossibly complicated, underresourced, and never rehearsed. As Luce notes, some members of the rescue team met for the first time on the night of the mission. Luce concludes that the blame for its failure rests mainly with the U.S. military leadership. I have a different view: responsibility for assessing the plan’s feasibility, coordinating between agencies, and judging the likelihood and consequences of failure fell on Brzezinski. As national security adviser, it was his job to anticipate challenges; explore alternatives; run a rigorous process to test proposals, especially military plans; and protect the president.

AMERICA’S BALANCE SHEET

Brzezinski remained active as a foreign policy adviser and geopolitical thinker-at-large for decades after leaving government. He counseled Reagan, who delivered the endgame of the Cold War strategy for which Brzezinski and Carter had laid the groundwork, and maintained his iconoclastic, hard-line views into the 1990s. Over time, however, Brzezinski tacked further to the left and grew skeptical of U.S. military entanglement. According to Luce, he stood by earlier U.S. support for the mujahideen, disputing post-9/11 criticism that this policy abetted the rise of the Taliban, which had harbored al-Qaeda, in Afghanistan. But he became one of the fiercest opponents of the George W. Bush administration’s invasion of Iraq and maintained his opposition throughout the war. Brzezinski was also one of the earliest foreign policy figures

to endorse Obama's presidential bid, continuing his career-long streak of picking political winners.

In his final book, *Strategic Vision*, published in 2012, Brzezinski proposed using a "balance sheet" of assets and liabilities as a rubric for judging the United States' strengths and weaknesses. I have always been and remain optimistic, as Brzezinski was, that the assets—including alliances and global influence, economic and technological strength, cultural appeal and soft power, and demographic dynamism—if properly managed, will keep the United States in a dominant position for decades to come. Today, however, I believe Brzezinski would be concerned that these assets are in danger. He would worry most of all about the divisions in American society and the health of the country's democracy.

Brzezinski was the last U.S. national security adviser who thought primarily, almost obsessively, in terms of systems and historical forces. This outlook was surely shaped by his Polish roots and his intimate knowledge of the Central and Eastern European "bloodlands," to borrow the historian Timothy Snyder's term, that endured Stalin's and Hitler's horrors in the mid-twentieth century. The sensibility that history never ends, that societies and governmental systems are more brittle than they may appear, and that protecting them requires constant vigilance is less prevalent today than it used to be. Yet the world now holds more threats to U.S. values and interests than at any time over the last half century. Brzezinski's example can help American policymakers appreciate the risks and chart a path forward. 🌐



The advertisement features the West Point Press logo at the top, which includes an eagle crest and the text "WEST POINT PRESS". Below the logo is the main title "Law of War Research Resources" in a large, serif font. The central part of the ad displays four book covers in a 2x2 grid. The top-left cover is "The Concept of Security in International Law" by Hitoshi Nasu. The top-right cover is "THE VIRGINIA-GEORGETOWN MANUAL CONCERNING THE USE OF FORCE UNDER INTERNATIONAL LAW: RULES AND COMMENTARIES ON JUS AD BELLUM" by John Norton Moore. The bottom-left cover is "UKRAINE SYMPOSIUM: PROCEEDINGS AND RECOMMENDATIONS OF THE SYMPOSIUM ON THE CONDUCT OF HOSTILITIES" edited by Sean Watts, Ronald Alcalá, and Mehmet Cihan. The bottom-right cover is "THE WEST POINT COMPANION to the ICRC: Updated Commentary on the Third Geneva Convention" by Sean Watts. At the bottom of the ad, there is a QR code and the URL "press.westpoint.edu/law-of-war/". The background of the bottom section shows a photograph of a marching band in uniform performing on a green lawn in front of a large stone building.

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Recent Books

Political and Legal

G. JOHN IKENBERRY

The Once and Future World Order: Why Global Civilization Will Survive the Decline of the West
BY AMITAV ACHARYA. Basic Books, 2025, 464 pp.

Remaking the World: European Distinctiveness and the Transformation of Politics, Culture, and the Economy
BY JERROLD SEIGEL. Cambridge University Press, 2025, 378 pp.

As the West's domination of the world wanes, two new books tackle classic questions about the roles Europe and America played in shaping the current global order. Acharya makes the spirited argument that today's order is not simply a product of Western power and values but derived from ideas and institutional practices that emerged over thousands of years from ancient and premodern societies and civilizations all over the globe. In a fast-paced survey of 5,000 years of global history, Acharya finds precursors to the modern Western-led international order in often forgotten

and overlooked earlier times and places: in ancient Persia, India, and China; in medieval caliphates and Eurasian empires; in Mesoamerica and Africa. Core ideas that are central to contemporary world order—diplomacy, economic interdependence, freedom of the seas, principles of protection of peoples, and cooperation among major states—were not invented in the West. The book acknowledges that Europe and the United States led the way in building democratic and rules-based societies, but it resists the notion advanced by most scholars that these centuries-long Western efforts were instrumental in establishing the principles and institutions of international order that set the world on a path away from empire and anarchy. Instead, the U.S.-led liberal international order is built on a logic of “imperial primacy,” and so the decline of the United States and the West should be welcomed. How a more fragmented and multipolar world system—what Acharya calls a “multiplex” order—will generate rules and cooperation to tackle twenty-first-century problems remains a bit vague.

Seigel offers a very different portrait of the West, emphasizing its unique world-historical role in shaping the global system and the direction of

modernity. He tells the story of the West's outsize role across the last five centuries as the chief agent in unifying the globe, fostering complex networks of connection, and making originally European ways of interaction into points of reference for the rest of the world. This European impact was multidimensional: in economics, it brought the Industrial Revolution; in politics, it produced a distinctive preoccupation with the sources and meaning of freedom and equality; and in society and culture, it led to a reconceptualization of the cosmos and the modern imagination. In explaining why this grand transformation happened in Europe and not in the other great civilizations, Seigel points to the West's distinctive trajectory within the larger global system: after the fall of Rome, no aspiring hegemon succeeded in remaking Europe into a continent-sized empire, whereas its civilizational peers—China, Mughal India, and the Islamic dynasties—remained imperial in form. This fragmented and competitive early modern European landscape, Seigel argues, generated unique incentives for a dynamic process of “creative destruction,” laying the foundation of the great nineteenth-century explosion in wealth, power, and global imperial domination.

Liberty as Independence: The Making and Unmaking of a Political Ideal

BY QUENTIN SKINNER. Cambridge University Press, 2025, 332 pp.

In this dazzling work of intellectual history, Skinner offers a sweeping account of the politics and philosophy of the idea of freedom as it unfolded

in its multiple and contested versions, from ancient Rome through the Enlightenment and the age of democratic revolutions to today's fraught moment. Skinner traces one strand of thinking to Thomas Hobbes, who defined liberty as the absence of restraints on the ability of individuals to do what they wish, a view later given its modern expression in Isaiah Berlin's notion of “negative liberty.” Against this strand, Skinner identifies another tradition that defines freedom in terms of domination and dependence, arguing that citizens were free to the extent they lived without being subject to the arbitrary will of a ruler. Skinner traces this positive vision of liberty through the ideas of the American and French Revolutions and in later feminist and working-class movements. Hannah Arendt's famous argument that “freedom is politics,” which suggested that real freedom lay in a more collective liberation, captured this view for the modern era. The debate over the meaning of freedom persists not just because the concept is elusive as a political ideal but because the structures of power that threaten freedom are ever evolving.

On Truth in Politics:

Why Democracy Demands It

BY MICHAEL PATRICK LYNCH.
Princeton University Press, 2025,
264 pp.

Lynch makes an eloquent case for the importance of truth as a core but increasingly tenuous democratic value. The book's starting point is a paradox: in the wake of today's rapidly unfolding

information revolution, citizens in democracies have unprecedented access to knowledge about the world, but this has simultaneously eroded their shared belief in a common reality. Citizens live in fragmented information bubbles that make deliberation and consensus more difficult. Lynch also notes a deeper society-wide loss of confidence in the value of truth, driven by the passivity of people as knowledge consumers who increasingly outsource “learning” to the Internet. The beneficiaries of this trend are tyrants, demagogues, and other power-wielders. Lynch argues that if democracies are to survive, their citizens will need to regain their belief that they inhabit a common space in which facts, data, and evidence do exist. People do not all need to believe the same things. But, as Lynch insists, they do need to believe in the collective process of learning and remain open to new information and the experiences of others.

Economic, Social, and Environmental

BARRY EICHENGREEN

Geopolitics, Trade Blocks, and the Fragmentation of World Commerce
BY URI DADUSH. Lexington Books, 2024, 226 pp.

Near-shoring, friend shoring, decoupling, and fragmentation are reshaping the global economic order. Dadush carefully analyzes the underlying drivers and consequences of these processes. The

many pressures on the open trading system stem from the economic and geopolitical rivalry between the United States and China, the populist backlash to globalization that has given rise to American protectionism, and the World Trade Organization’s restrictive and outdated rules. It is still possible that cooler heads will prevail and Washington and Beijing will reach an accommodation that recognizes the mutual benefits of bilateral trade. Leaders of corporations that rely on export markets and use imported inputs may yet help curb the protectionist instincts of American politicians. Although the actions of successive U.S. administrations have weakened the WTO, it remains a vital forum for discussion and negotiation. Dadush recommends that governments formulate a Plan A for the scenario in which the WTO is preserved and countries remain committed to the multilateral trading system, but also a Plan B for a world in which multilateralism collapses and they are left to pursue trade agreements with select regional and geopolitical partners.

Mindless: The Human Condition in the Age of Artificial Intelligence
BY ROBERT SKIDELSKY. Other Press, 2024, 384 pp.

This erudite and thought-provoking book tackles a dominant issue of the day, and indeed of the last two centuries: whether the forward march of technology promises to free humankind from want and drudgery or instead threatens to enslave and even extinguish human civilization.

Skidelsky recalls how John Maynard Keynes predicted a century ago that machines would soon do most human work, something that is again forecast today by the apostles of artificial intelligence. Keynes's prediction failed to come to pass, thanks to consumers' insatiable appetite for stuff, the intrinsic satisfaction of work, and the uneven distributional consequences of technological progress. The transformative effects foreseen for AI may similarly be exaggerated. Skidelsky concludes that the forward march of the machines has done as much to diminish as to enhance human freedoms, while efforts to shape the direction of technical change are unlikely to succeed, owing not least to a lack of agreement on rules. The author is articulate on the dilemmas of living with twenty-first-century technologies, but he struggles to find solutions. Humankind can save itself, he concludes, only by returning to lives that depend less on technology and have a larger role for social and spiritual values. It is, as he writes, "a somber conclusion" for an economist.

The Latecomer's Rise: Policy Banks and the Globalization of China's Development Finance

BY MUYANG CHEN. Cornell University Press, 2024, 240 pp.

China has probably lent more to emerging markets and developing countries in recent years than all Western-supported development finance institutions combined. The two principal vehicles for its investment, the China Development Bank

and the Export-Import Bank of China, have been faulted for their opacity and high interest rates. Critics accuse these banks of luring low-income countries into taking loans for unsustainable infrastructure projects that China is then able to seize when repayment proves impossible. The Chinese government has also controversially claimed, in the context of debt restructuring negotiations, that these institutions should be treated as commercial entities rather than as organs of its state. Other countries, including the United States, similarly established policy banks earlier in their histories, but China's policy banks are distinctive in seeking to simultaneously advance public policy goals and make a profit. Conflicts arise from these mixed motives, which include underwriting infrastructure investment and financing Chinese exports but also advancing Beijing's geopolitical interests. According to Chen, China can reduce this tension by more clearly distinguishing policy and commercial lending, including by establishing separate financial accounts for the two activities.

False Dawn: The New Deal and the Promise of Recovery, 1933-1947

BY GEORGE SELGIN. University of Chicago Press, 2025, 384 pp.

Each time the United States experiences an economic downturn, experts look to the Great Depression, the severest of economic downturns, for guidance on how policymakers should and should not respond. Selgin challenges the hypothesis that New Deal

policies helped stimulate recovery from the Depression. The 1933 National Industrial Recovery Act, he argues, raised producers' costs and created uncertainty for investors. Modest fiscal stimulus and leaving the gold standard did little to bring down unemployment, which remained high despite government make-work schemes. The exigencies of World War II drastically slashed unemployment but did not improve living standards, and the wartime economy offered no guarantee against the reemergence of widespread joblessness when the conflict ended. Instead, Selgin points to what he calls "the Great Rapprochement" that happened during and after World War II. This entailed reconciliation between business and government, which had been at loggerheads in the 1930s, and the elimination of uncertainty on the part of investors about the future of the market system. Selgin dismisses arguments that strong and steady growth after the war reflected the stabilizing impact of a larger public sector, improvements in monetary policy, a robustly expanding global economy, and strict regulation that suppressed the risk of banking crises for a quarter of a century. That growth in fact stemmed from the resurgence of a private sector formerly cowed by government.

Military, Scientific, and Technological

LAWRENCE D. FREEDMAN

Allies at War: How the Struggles Between the Allied Powers Shaped the War and the World

BY TIM BOUVERIE. Crown, 2025, 672 pp.

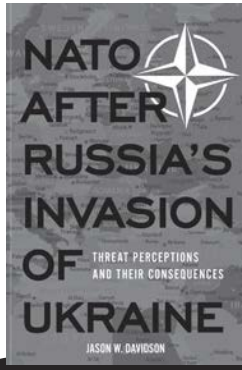
In this splendid history of the World War II alliance between the United Kingdom, the United States, and the Soviet Union, Bouverie shows how isolated the British were in the early stages of the conflict. In 1939, Moscow had signed a non-aggression pact with Nazi Germany. The following year, France fell under German occupation. Meanwhile, the United States remained largely on the sidelines, furnishing only limited military assistance to the United Kingdom until the Japanese attack on Pearl Harbor, in late 1941. Even at the darkest hour, British Prime Minister Winston Churchill assiduously courted American support. After Germany invaded the Soviet Union in June 1941, Churchill wasted no time in forging a partnership with Soviet leader Joseph Stalin. A common enemy held the alliance together, but relations were often strained over differences regarding priorities, strategy, and, later, the fate of postwar Europe. One of the many virtues of this insightful book is how it demonstrates the complexity of wartime diplomacy among the "Big Three."



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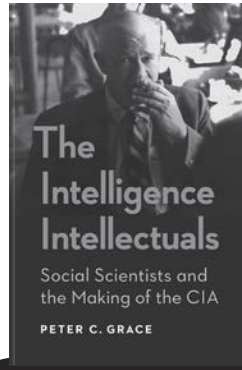
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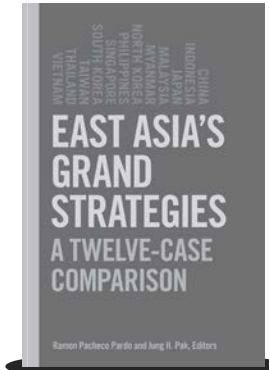
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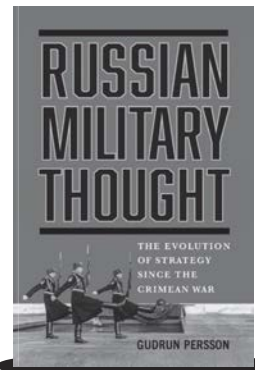
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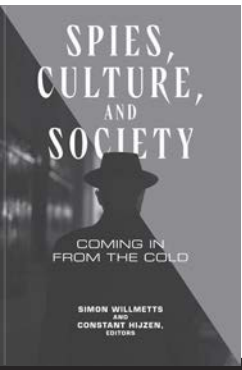
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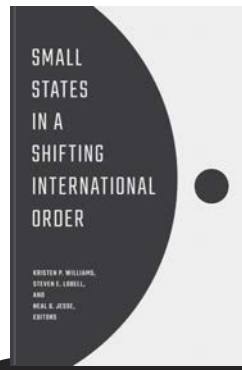
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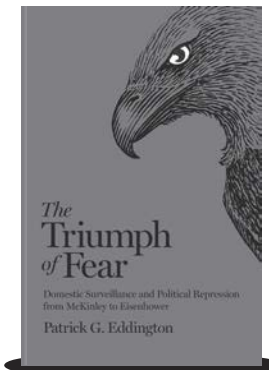
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—Sue Udry, executive director, Defending Rights and Dissent

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The Fifteen: Murder, Retribution, and the Forgotten Story of Nazi POWs in America
BY WILLIAM GEROUX. Crown, 2025, 400 pp.

This intriguing book examines the fate of German prisoners of war shipped to the United States during the last two years of World War II. American authorities sent some 400,000 German prisoners to the continental United States, where they were often required to work on farms. Even as captives on foreign shores, the die-hard Nazis among them sought to keep their cause alive, subjecting fellow prisoners to beatings for expressing unpatriotic or otherwise defeatist sentiments. In 1944, a U.S. military tribunal convicted 15 German prisoners of murder and sentenced them to death. In response, Germany sentenced several American prisoners of war to death on trumped-up charges. The German collapse in April 1945 allowed the Americans to survive. The convicted Germans were not so fortunate.

Rogue Agent: From Secret Plots to Psychological Warfare, the Untold Story of Robert Bruce Lockhart
BY JAMES CROSSLAND. Pegasus Books, 2025, 304 pp.

The Raider: The Untold Story of a Renegade Marine and the Birth of U.S. Special Forces in World War II
BY STEPHEN R. PLATT. Knopf, 2025, 544 pp.

The Determined Spy: The Turbulent Life and Times of CIA Pioneer Frank Wisner
BY DOUGLAS WALLER. Dutton, 2025, 656 pp.

Three new biographies vividly sketch the lives and legacies of soldiers and spies who navigated the convulsions of the twentieth century.

Robert Bruce Lockhart was a talented Scottish adventurer with a gift for languages and a keen political intelligence, who found himself in the middle of the Russian Revolution and the subsequent civil war. Beginning in 1912, he served as a British diplomat in Moscow. After the Bolsheviks seized power in 1917, he was appointed the British envoy to Russia. He swiftly found himself embroiled in a series of improbable plots, orchestrated by White Russians and other agents from Russia's erstwhile allies, to eliminate key Bolshevik leaders. His efforts to undermine the regime ended in farce, and he was briefly detained by the Kremlin. He spent the interwar years writing memoirs and editing columns for *The Evening Standard*. When World War II broke out, he took up the post of director general of the Political Warfare Executive (effectively, the United Kingdom's chief propagandist), a role in which, by all accounts, he excelled. Crossland delves deeply into Lockhart's colorful life in this gripping biography.

Evans Carlson worked his way up the ranks of the U.S. Marines, gaining experience working with the Nicaraguan national guard before being posted to China. He observed Chinese communist guerrillas as they battled

Japanese imperial troops. He later repurposed their tactics as the leader of the United States' fierce "raider" battalions in the Pacific theater during World War II. The Chinese-inspired unconventional approach that Carlson developed still informs training in the U.S. Army Special Forces. Yet in his lifetime, he was disowned by the military brass because of his presumed communist sympathies. There is no evidence that Carlson ever subscribed to the communist cause, but he did evolve from a man with orthodox opinions to an independent thinker who could appreciate outside perspectives. Platt traces that character arc brilliantly, presenting Carlson as a courageous and innovative military leader.

Douglas Waller has written a fair and sympathetic biography of Frank Wisner, a leading figure in the history of U.S. intelligence. Wisner developed a knack for intelligence work during World War II, as an Office of Strategic Services agent in Bucharest, Cairo, and Istanbul. He then drew on that experience to help build up the CIA's post-war covert capabilities in the 1950s. The story is poignant because Wisner succumbed to severe bipolar disorder, leading to his suicide in 1965, at the age of 56. It is also poignant because many of the supposed triumphs of his time in the service—such as the 1953 overthrow of Iranian Prime Minister Mohammad Mosaddeq and, the following year, of Guatemalan President Jacobo Árbenz—damaged the long-term reputation of the United States. He was an accomplished senior officer who believed in the higher purposes of U.S. foreign policy, and yet he was willing to use questionable methods, such

as recruiting ex-Nazis and launching a program to dose human subjects with the synthetic drug LSD as the CIA explored new interrogation techniques.

East Asia

ELIZABETH ECONOMY

Breaking the Engagement: How China Won and Lost America

BY DAVID SHAMBAUGH. Oxford University Press, 2025, 456 pp.

In this deeply researched book, Shambaugh provides persuasive solutions to two enduring puzzles in the relationship between China and the United States: What explains the more than centurylong oscillating pattern of engagement, disenchantment, and reengagement in U.S.-Chinese relations? And why, after four decades of deepening engagement, do the two countries find themselves in a period of disengagement and rivalry? Shambaugh answers these questions by delving into the history of American policy toward China and exploring the actors, interests, and debates that have helped shape it. He discovers an abiding missionary zeal in the United States to "change China"—to help it modernize and liberalize politically and economically—and credits that impulse with shaping the overall context of the relationship. When Chinese behavior aligns with American expectations, relations thrive; when it doesn't, tensions grow. Shambaugh's research also yields an important and more counterintuitive finding: too

much engagement breeds suspicion, disenchantment, and eventually disengagement. The book is further enlivened with a rich collection of anecdotes from Shambaugh's own history of ups and downs in dealing with China as a student, scholar, and policy adviser.

Let Only Red Flowers Bloom: Identity and Belonging in Xi Jinping's China
BY EMILY FENG. Crown, 2025,
304 pp.

Feng, an NPR correspondent, draws on her years of reporting in China to show how the political sands in China are shifting under Chinese leader Xi Jinping—in particular how Xi's efforts at nation building leave little space for those who do not naturally fit his concept of Chinese identity. Through a series of intimate portraits, Feng explores some of the political communities and issues that have been most affected by Xi's tenure: human rights lawyers, ethnic minorities, Hong Kongers, and the Chinese diaspora. Feng's subjects are largely idealists who engage in activities that eventually run afoul of Xi's increasingly repressive regime. They include a lawyer who helped spark a nationwide debate on the need for a more humane Chinese legal system, a young Hui Muslim who founded an Islamic study center to advance religious and cultural understanding, and a bookseller in Hong Kong who sought to keep freedom of expression alive in the city. Some of Feng's torchbearers for change spend time in prison, some leave the country, but all become disillusioned and resigned

to the fact that their efforts will not bear fruit.

China's Quest for Military Supremacy
BY JOEL WUTHNOW AND PHILLIP C. SAUNDERS. Polity, 2025, 256 pp.

China's rapid advances in military technology, growing assertiveness in the Indo-Pacific, and expanding ability to project power globally make the capability of its People's Liberation Army a central question in international security debates. Wuthnow and Saunders, two preeminent scholars of the Chinese military, have joined forces in this authoritative study that is both accessible and deeply informative. They trace the evolution of the PLA's organizational structure, doctrine, capabilities, and threat environment from the era of Deng Xiaoping that began in the late 1970s to the present and conclude that under Xi Jinping's leadership, the PLA has become stronger and more capable than at any point in its history. At the same time, the PLA's command structure, logistics, and training regimens remain flawed in ways that not only produce significant vulnerabilities but also make it harder for China to transform from global actor to global power. Although the PLA is resourced for combat in the Indo-Pacific, for example, it could not manage a sustained global conflict. The authors suggest that closing this gap will be difficult but not impossible. They believe it is only a matter of time before the PLA addresses these deficits and becomes the U.S. military's true peer competitor.

The Black Box: Demystifying the Study of Korean Unification and North Korea
BY VICTOR D. CHA. Columbia University Press, 2024, 336 pp.

Cha offers a compelling study of the inner workings of North Korea and the complex dynamics surrounding its potential unification with South Korea. He argues that there is a trove of untapped and unclassified data that can provide powerful insights into North Korean policymaking and politics. His case studies suggest he is right. Drawing on original survey data from inside North Korea, Cha reveals that North Korean citizens earn much of their income from markets, resent government intervention that limits their opportunities for private wealth, and are avid consumers of foreign media. His exploration of North Korea's cyber-operations yields similarly interesting insights. He tracks various North Korean cyber-hacking groups, their targets, and foreign partnerships and shows that along with espionage and disruption, a significant driver of these operations is Pyongyang's desire for revenue to support its missile program and other political priorities. The book is a fascinating read that should encourage other scholars to be similarly creative in using open-source material to shed light on what transpires inside North Korea and other opaque political systems.

Voice for the Voiceless: Over Seven Decades of Struggle With China for My Land and My People
BY THE DALAI LAMA. William Morrow, 2025, 256 pp.

This beautifully written, inspiring, and poignant memoir follows the Dalai Lama's lifelong quest to achieve justice and autonomy for the Tibetan people within China. For more than a half century, the Dalai Lama has sought to persuade Chinese Communist Party leaders that their priorities of stability and territorial integrity—as well as the legitimacy of their rule over Tibet—would be strengthened, not undermined, by granting Tibetans greater autonomy to manage their own politics, culture, and economic development. His commitment to human dignity, justice, and nonviolent struggle has earned him admirers worldwide, including many politicians who have supported his cause in the United Nations or through legislative actions in their own countries. Despite such support, the Dalai Lama has little expectation that the current CCP leadership will embrace meaningful change. Instead, he expresses a quiet confidence that the just cause of people, both Tibetans and Chinese, who desire freedom will inevitably triumph over the inherent instability of Beijing's totalitarianism.

South Asia

PRATAP BHANU MEHTA

Apostles of Development: Six Economists and the World They Made
BY DAVID C. ENGERMAN. Oxford University Press, 2025, 576 pp.

Engerman, a historian, provides a fascinating portrait of six South Asian economists who had a tremendous impact on the theory and practice of development economics: the Indian economist turned prime minister Manmohan Singh, the Indian Nobel laureate Amartya Sen, the Indian American economist Jagdish Bhagwati, the Pakistani economist Mahbub ul Haq, the Bangladeshi economist Rehman Sobhan, and the Sri Lankan economist Lal Jayawardena. All of them came to prominence in their countries as part of the first generation of post-independence elite; each was educated at Cambridge and prodigiously brilliant in his own way. In detailing their ideas and careers, Engerman tells a riveting story of the debates central to modern development economics: the state versus the market, capital-intensive versus labor-intensive growth, and export orientation versus import substitution. He sketches the trajectories of development in the countries of South Asia, using, for instance, Singh's career to chart India's trip from tight state control to market liberalization. The book is also a reminder of how ideas from South Asia once shaped global thinking.

States Against Nations: Meritocracy, Patronage, and the Challenges of Bureaucratic Selection

BY NICHOLAS KUIPERS.

Cambridge University Press, 2025, 266 pp.

Nation-states have to simultaneously bolster state capacity to achieve their goals and foster inclusive national communities. In this fascinating study, Kuipers argues that the logic of state building and nation building can, under some circumstances, collide. In stratified societies, creating a civil service through meritocracy can consolidate the power of communities that already have educational advantages, impeding the task of nation building. Kuipers bases this argument on rich empirical evidence from Indonesia, derived from studies of civil service recruitment. He shows, for example, that in the Indonesian case, the introduction of meritocratic recruitment undermined national solidarity. Failure in civil service exams led to members of particular groups resenting the country and more dominant, better-represented groups. The book also ambitiously places Indonesia in a wider constellation of cases that include China, India, the United Kingdom, and the United States. Kuipers offers an innovative framework for thinking about the different ways in which these states reconcile the tension between state building and nation building by blending discretion, meritocracy, and affirmative action in the recruitment of personnel.

Democracy and Impunity: The Politics of Policing in Modern India

BY ALEXANDER LEE. Oxford University Press, 2025, 200 pp.

Indian policing has what the political scientist Lee calls “an impunity problem.” India’s murder rate is lower than that of the United States and a fraction of those of many other developing countries. But impunity is high. Many perpetrators, especially among the elite, get away without punishment. The burden of such weak policing often falls on the poor, whose rights are less likely to be respected and who are more likely to be subject to the arbitrary powers of the state. Indian police forces are also poorly resourced; the country has the second-lowest number of police officers per capita in the world. India has so far failed to enact meaningful police reform. Lee confirms the conventional wisdom that this is a policy choice, in part because reform would upset local power structures. Yet at times, the author does not seem entirely convinced by his own argument. In the state of Bihar, one of his cases, it appears that creating better policing proved to be a winning political strategy for Chief Minister Nitish Kumar in 2009. At least on that occasion, voters rewarded better policing.



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The Conscience Network: A Chronicle of Resistance to a Dictatorship

BY SUGATA SRINIVASARAJU.

Vintage Books, 2025, 592 pp.

Fifty years ago, Indian Prime Minister Indira Gandhi declared a national state of emergency, suspending civil liberties and jailing opposition leaders in a jarring interruption of the country's democracy that would last two years. Srinivasaraju, a distinguished political journalist, tells the little-known story of resistance to the emergency mobilized by a motley group of students, civil rights activists, Quakers, and academics who came together in the United States to form a "network of conscience." These ordinary professionals started a group called Indians for Democracy that helped mobilize American opinion makers to speak more loudly in defense of Indian democracy. Srinivasaraju uses the story of this group to cast a wider lens on the emergency itself, revealing, among other things, how several courageous individuals mobilized resistance to it across the political spectrum. Full of vivid characters, the book has startling contemporary echoes: when T. N. Kaul, Gandhi's ambassador to the United States from 1973 to 1976, defends the state of emergency, he sounds strikingly similar to many current Indian officials who have dismissed concerns about growing authoritarianism in India. The book is also a reminder of how the consciences of ordinary people can be stirred against tyranny.

Middle East

LISA ANDERSON

Uncertain Empire: Jews, Nationalism, and the Fate of British Imperialism

BY ELIZABETH E. IMBER. Stanford University Press, 2025, 386 pp.

Histories of Zionism in the interwar period usually focus on Europe, the United States, and the Middle East. In this fascinating account, Imber widens the aperture to include South Asia and South Africa, where Jewish communities grappled with the local complexities of British imperialism and Zionism. Imber writes of Baghdadi Jewish traders in Bombay, Jewish émigrés who had settled in Rhodesia before World War I, both the rich and the poor Jewish enclaves of Calcutta, and other communities. They spanned many different ideologies and political commitments. By the end of World War II, as the magnitude of the Holocaust and the imminent demise of the British Empire became clear, some of those paths were foreclosed or abandoned. Imber's account serves as a welcome reminder of the rich and diverse intellectual roots of Zionism.

The Heritage State: Religion and Preservation in Contemporary Qatar

BY TRINIDAD RICO. Cornell University Press, 2025, 192 pp.

For most governments, settling on a common interpretation of the past is central to nation building. Many of

these same governments yearn for global recognition of their countries' contributions to world history. Yet there is often a tension between these twin goals. Rico, an art historian and preservationist, argues that standard conceptions of what counts as "global heritage" eschew religious definitions of history and identity in favor of a secular cosmopolitanism that prizes natural beauty, defunct civilizations, and tourism. The wealthy petrostate of Qatar has taken a different route, electing to pursue both urban renewal and the showcasing of the country in all its complexity. One of its lavish museums is devoted to Islamic art; another to the history of slavery and modern-day exploitation. In so doing, the country presents itself to the world with a distinctive mix of candor and circumspection that reflects the imperatives of both nation building and the pursuit of global prestige.

The Resilience of Parliamentary Politics in Kuwait: Rentierism, Ideology, and Mobilization
BY COURTNEY FREER. Oxford University Press, 2024, 328 pp.

In May 2024, Kuwait's new emir, Sheikh Mishal al-Ahmad al-Jaber al-Sabah, dissolved the country's recently elected parliament to pursue a multiyear process of constitutional reform. This book argues that in a region known largely for its fragile states and durable autocracies, Kuwait's history of vigorous parliamentary politics has made it a salutary exception. From the establishment of the National Assembly

shortly after independence in 1961 to the country's invasion by Iraq in the 1990s and the upheavals of the Arab Spring in 2011, parliamentary politics has been important in Kuwait. Yet in recent years, the emergence of pro-government and opposition blocs has created exasperating political gridlock. And public frustration with parliamentarians has given way to irritation with the government's failure to initiate promised reforms. Freer's history of the country's parliamentary dynamism builds a good case for reviving it.

Mirages of Reform: The Politics of Elite Protectionism in the Arab World
BY STEVE L. MONROE. Cornell University Press, 2025, 252 pp.

For decades, international pressure for trade liberalization in the Arab world has done little to truly open up economies. Yet the reasons for this failure are poorly understood. Many countries resisted reform altogether. But even where governments did embrace reforms, cronyism and corruption ensured that protectionism endured. Monroe explains why, drawing on interviews with policymakers, archival work, and novel data on decades of putative policy changes in the Middle East. In Egypt and Jordan, Western powers pressured regimes to adopt neoliberal reforms sponsored by the International Monetary Fund and the World Trade Organization. The same foreign patrons then ignored the poor enforcement of those reforms, because they did not want to alienate key partners in the region. Too often,

domestic economic elites acquiesced to the charade of reform, knowing that their social connections with government authorities would exempt them from its implementation and weaken their less well-connected competitors.

Forest of Noise: Poems

BY MOSAB ABU TOHA. Knopf, 2024, 96 pp.

This short collection of poems, about half of which were published earlier in poetry reviews, literary magazines, and news sites, brings together some of the most powerful work of the Gazan librarian, poet, and essayist Mosab Abu Toha, who received a Pulitzer Prize in 2025 for his commentary on the war in Gaza. He is one of the most celebrated Palestinian voices of his generation. Much like the famed British poets of World War I, who sought to express the inexpressible, Abu Toha strives to capture the unspeakable carnage, futility, and despair of war. In 2017, he founded the Edward Said Library, Gaza's only English language library. Last year, after he fled to Egypt with his family, he wrote "My Library," a poem reflecting on the institution he left behind. "My books remain on the shelves as I left them last year," he writes, "but all the words have died." In fact, as this collection illustrates, the words of poets not only give life to books and libraries but keep alive the memories and aspirations of people who have died.

Eastern Europe and Former Soviet Republics

MARIA LIPMAN

Russia's World Order: How Civilizationism Explains the Conflict With the West

BY PAUL ROBINSON. Cornell University Press, 2025, 168 pp.

Soviet ideology proclaimed communism as the final stage of human development. But after the collapse of the Soviet Union, Russia flirted with another form of historical determinism: the belief that the country would eventually join the global march toward free-market liberal democracy. By the late 1990s, Robinson writes, Russian thinkers disillusioned with the Western model had come to see the world as composed of distinct civilizations, each with its own characteristics and developmental paths. In his rich and persuasive account, Robinson traces the roots of civilizational theory to both Western and Russian philosophers of the twentieth century. He examines the diverse, and at times bizarre, interpretations advanced by contemporary Russian ideologists. After Moscow launched a war against Ukraine, broke with the West, and pivoted toward non-Western audiences, Putin firmly embraced civilizational discourse, which is now official policy and a mainstay of presidential speeches and even schoolbooks.

Seize the City, Undo the State: The Inception of Russia's War on Ukraine
BY SERHIY KUDELIA. Oxford University Press, 2025, 344 pp.

After the 2014 Maidan Revolution in Ukraine and the escape of its Russian-backed president, Viktor Yanukovich, a separatist movement gained momentum in the eastern province of Donbas. Beginning that year and through 2019, Kudelia, a political scientist, made more than a dozen trips to the region to interview both secessionists and loyalists. Initially, Moscow opted to provide covert assistance to the rebels in the form of advice and financial support, but its involvement grew steadily more militarized. Most of the local population either supported or was ambivalent toward the separatist cause, yet unwilling to engage in armed violence. Kudelia's forensic town-by-town analysis focuses on the decision-making of local elites, such as mayors and entrepreneurs. Many chose to collaborate with the militants, some mayors fled their towns, and a few resisted by emphasizing their attachment to Ukraine. In late August 2014, when it became evident that the separatists could not capture the region on their own, the Kremlin commenced a military intervention, dispatching troops and armored vehicles—a prelude to the full-scale invasion of 2022.

A Time to Sow: Refusenik Life in Leningrad, 1979–1989
BY MICHAEL BEIZER AND ANN KOMAROMI. University of Toronto Press, 2025, 325 pp.

During the U.S.-Soviet détente, from 1969 to 1979, Moscow sought to improve relations with Washington by, among other things, granting Jews permission to repatriate to Israel. More than 200,000 Soviet Jews left, mainly for Israel, but also for the United States. When détente gave way to a renewed confrontation, however, Moscow denied many Jews' requests for repatriation. These "refuseniks," as they came to be called, often lost their jobs and access to higher education, finding themselves in a state of frustrating uncertainty. The historians Beizer (a former refusenik from Leningrad) and Komaromi chronicle how the refuseniks built a community based on mutual assistance. Support from Jewish organizations abroad was crucial in alleviating the refuseniks' predicament. Raised in the Soviet Union, most Leningrad Jews were highly assimilated and largely ignorant of Jewish language or culture. Stranded in a land they yearned to escape, many forged a new Jewish identity through underground seminars, Hebrew and Yiddish classes, and the celebration of Jewish holidays.

Against the Liberal Order: The Soviet Union, Turkey, and Statist Internationalism, 1919–1939

BY SAMUEL J. HIRST. Oxford University Press, 2024, 256 pp.

In this meticulous history, Hirst examines the relationship between Turkey under Mustafa Kemal and Bolshevik Russia in the aftermath of World War I, a period when both newly established states were alienated from the emerging liberal order and drawn together by their shared drive for modernization. For Turkey, wary of becoming dependent on the United States and international capital, the Soviet Union emerged as a more equitable trading partner and a supporter of industrialization. Their cooperation nudged Turkey further toward a statist model with a dominant role for the state in key sectors of the national economy. The weakening of capitalist societies following the Great Depression deepened Turkey's reliance on Soviet economic support. In the 1930s, Stalin extended generous credit to Ankara, and Turkey built its two largest textile factories with substantial Soviet assistance. But the relationship between Turkey and the Soviet Union never evolved into ideological affinity; the regime in Ankara harshly persecuted communists and would not adopt the Bolshevik concept of comprehensive economic planning.

Cultural Capitalism: Literature and the Market After Socialism

BY BRADLEY A. GORSKI. Cornell University Press, 2025, 336 pp.

Gorski, a literary and culture scholar, examines the breakneck commercialization of book publishing, and Russian literature more broadly, following the collapse of the Soviet Union. In the early 1990s, thousands of new publishers emerged, up from a mere 200 at the end of the Soviet Union. The notion of the “bestseller” came to dominate the new book market and sparked the rise of immensely popular genres such as detective novels, including its intellectual and *zhenskii* varieties (detective novels written by women and featuring female sleuths). Gorski artfully weaves the evolution of the book market with literary analysis of some of the most prominent post-Soviet authors. Early post-Soviet literature often reflected a certain optimism about the Western ideal of personal liberty and extolled an entrepreneurial spirit. In recent years, however, the Russian literary market has taken a distinctly illiberal turn, exemplified by the writer Zakhar Prilepin, a best-selling author turned jingoistic patriot who fought in the Donbas region of Ukraine and inspired many of his admirers to join the front.

Western Europe

ANDREW MORAVCSIK

Get In: The Inside Story of Labour Under Starmer

BY PATRICK MAGUIRE AND GABRIEL POGRUND. Bodley Head, 2025, 480 pp.

This engaging book offers a journalistic view of how the Labour Party under Keir Starmer won the 2024 election. It focuses not on the leader himself but on the successful campaign manager (now chief of staff) Morgan McSweeney, who appears as the power behind a prime minister not blessed with acute political instincts. In the pursuit of culturally conservative but economically left-wing policies, McSweeney helped Starmer become party leader, banish the leftist Jeremy Corbyn from the party, and win the election in a landslide. Governing, however, takes more than conducting ruthless purges, waging slick marketing campaigns, and heaping opprobrium on the former government. Like center-left parties elsewhere, Labour now must knit together a durable coalition that includes working-class and middle-class moderate voters and bridge a divide between culturally radical and conservative factions within the party. In office, faced with issues such as the war in Gaza, negotiations with the EU, and various domestic problems, Starmer remains caught between a constrained fiscal base and pressures to spend more, and the tensions between universal human rights and traditional patriotism.

Rot: An Imperial History of the Irish Famine

BY PADRAIC X. SCANLAN. Basic Books, 2025, 352 pp.

In Ireland from 1845 to 1852, a blight that caused potatoes to rot in the ground led to the “Great Hunger.” The result was the highest recorded percentage of fatalities from famine in modern history: of a pre-famine population of around eight million, at least a million people died, and nearly two million fled the island. (The island has yet to return to its nineteenth-century population level.) This displacement and suffering occurred in the most economically advanced country in the world, the United Kingdom. The underlying problem, this book argues convincingly, was that the rich land of Ireland was monopolized by a tiny and wealthy Anglophone Protestant elite, which used it to produce cheap grain and livestock for export. Even in good times, this aristocracy exploited small tenant farmers who in turn exploited still smaller farmers, who raised just enough potatoes to keep their families alive. Although politicians in London did not deliberately cause the famine, their belief in small government, the sanctity of free markets, and the indolence of the undeserving Irish poor—a perception stoked by the British landed elite—turned the blight into a catastrophe and undermined potential remedies. The disaster holds lessons for a modern era of extreme pro-market ideology and rising inequality.

A Calculated Restraint: What Allied Leaders Said About the Holocaust

BY RICHARD BREITMAN. Harvard University Press, 2025, 352 pp.

Foreign governments were aware of Hitler's persecution and extermination of Jews, yet they strictly limited the number of Jewish refugees who could immigrate, and after war broke out, failed to bomb the infrastructure that facilitated mass murder. Breitman, a historian who has dedicated his career to understanding why others did not act more resolutely to help Jews during the Holocaust, concludes that pragmatic considerations explain—and, to an extent, excuse—inaction. During the 1930s, foreign leaders calculated that acting more resolutely would expend scarce domestic political capital and military means required to combat Nazi Germany in other ways. Publicizing the threat to Jews might have invited criticism from nationalists within their countries who supported restrictive immigration policies, or perhaps even seemed to confirm anti-Semitic charges from Hitler and others that Jews controlled Allied governments. From late 1941 through early 1944, moreover, Allied governments possessed “no military or diplomatic leverage” that could have ended the murder of millions. Only a swifter end to the war could have done that. This troubling book challenges the claim that evil prevails mainly because “good men do nothing.”

Plato and the Tyrant: The Fall of Greece's Greatest Dynasty and the Making of a Philosophic Masterpiece

BY JAMES ROMM. Norton, 2025, 368 pp.

History remembers Plato as a scholar secluded in his Athenian Academy, debating political philosophy. Yet he was also a man of the world who traveled widely and participated in civic life. This book is based on 13 letters, most or all likely penned by Plato, that describe his little-known engagement in politics. It reconstructs his interactions with Dionysius and his son of the same name, the tyrants who ruled Syracuse, the dominant Greek city-state of Plato's time. The philosopher was particularly intimate with Dion, the uncle of the younger Dionysius, who challenged his nephew for the throne. Yet Plato's interventions into Syracusan politics—most notably his effort to educate these tyrants into civility—proved childishly naive. Philosophical tutoring failed to produce wise rulers. Plato fled Syracuse, humiliated by the tyrants' taunts. Fearing that his abject failure in Syracuse might cast doubt on his philosophical insight, however, he continued, unconvincingly, to defend their actions. Whereas Plato's *Republic* presumed that a philosophical education can combat tyranny, this book suggests that applying ideal principles to real-world dictators can lead philosophers into tragic contradictions.

Pivotal Poland: Europe's Rising Power
BY JANUSZ BUGAJSKI. The
Jamestown Foundation, 2025, 396 pp.

Over the last decade, Poland has emerged as a major player in European military security strategy. Although the country is polarized, all its parties are resolutely opposed to Russian aggression in Ukraine and Moscow's broader effort to reassert regional power. Unlike its central European neighbors, Poland is large enough to matter; unlike some of its western European neighbors, it has carried out a robust military buildup. In a time of transatlantic discord, the country is emerging as an essential transatlantic link. This book, more think-tank report than scholarly monograph, provides a useful factual compendium of background material about Polish defense policy—although the absence of an index or a digital version remains a major obstacle to its efficient use. The volume's concluding policy recommendations, only loosely connected to the empirical analysis, are more problematic. Some suggestions will raise eyebrows, as when the author counsels Poland to address democratic backsliding with a public relations campaign, urges that Ukraine be allowed to join NATO, and advocates a serious Western effort to promote regime change in Russia.

Western Hemisphere

RICHARD FEINBERG

The Collapse of Venezuela: Scorched Earth Politics and Economic Decline, 2012–2020

BY FRANCISCO RODRÍGUEZ.
University of Notre Dame Press,
2025, 538 pp.

In charting the catastrophic economic collapse of his native Venezuela, Rodríguez, a political economist, combines technical expertise with insider insights from his years in public service. During the 2010s, Venezuela's per capita income plummeted by over 70 percent, propelling millions of citizens to emigrate. Bad economic policy and corruption played a role in this tragedy, but contrary to talking points advanced by many critics of President Hugo Chávez and his successor, Nicolás Maduro, those were not the main factors. According to Rodríguez, two other variables explain this unprecedented tragedy: the country's excessively powerful executive branch (and winner-take-all politics) and the maximalist economic sanctions imposed by the first Trump administration. Rodríguez is particularly critical of radical elements within the Venezuelan opposition and diaspora for drawing the United States into "scorched earth" sanctions against Venezuela's oil exports, which impoverished the country but failed to trigger regime change. To overcome the country's seemingly intractable political deadlock, Rodríguez advocates

institutional reforms that encourage more moderate political behavior and allow losers to exit power peacefully.

A Machine to Move Ocean and Earth: The Making of the Port of Los Angeles—and America.

BY JAMES TEJANI. Norton, 2024, 464 pp.

Contemporary Los Angeles, which lacks a natural deep harbor, was created by imperialist visionaries and voracious capitalists with the help of modern technologies such as hydraulic dredging and steam-propelled shipping. The relentless westward expansion of American settlers, fueled by the country's nineteenth-century creed of Manifest Destiny, transformed greater Los Angeles into today's West Coast gateway, a major transportation hub of global supply chains stretching around the Pacific Rim. San Diego, farther south and with a better-protected harbor, became the home port of the U.S. Pacific Fleet. Tejani reveals the dark underbelly of all this progress: the obliteration of the villages of the Gabrieleño-Tongva native peoples that subsisted harmoniously within the ecologically rich tidelands and estuary of California's San Pedro Bay, the disgraceful displacement of Mexican rancheros, Gold Rush-era swindles, political and corporate corruption, and the endless twists and turns of litigation over land rights. His sweeping, colorful narrative is populated by naive government scientists, relentless railroad magnates seeking monopoly profits, and earnest municipal reformers advancing the public interest.

The Years of Blood: Stories From a Reporting Life in Latin America

BY ALMA GUILLERMOPRIETO.

Duke University Press, 2025, 248 pp.

Many of the essays in this collection by the Mexican journalist Alma Guillermoprieto were first published in *The New Yorker*, *The New York Review of Books*, and *National Geographic* during the first quarter of this century. "What were we thinking?" she now asks, as she reconsiders her earlier writings and youthful infatuations with Latin American revolutionary movements. She is utterly disillusioned with the ugly transformations of leftist leaders, such as Daniel Ortega of Nicaragua and Evo Morales of Bolivia, into unprincipled strongmen. Her narrative focus has shifted from a hopeful idealism to something bordering on world-weariness, as her excoriating prose focuses more on bad actors—ineffectual politicians, vicious drug dealers, corrupt judiciaries. She celebrates no major contemporary leaders. Instead, she finds inspiration in pre-Hispanic communities and in the courage of indigenous people fighting for their survival in the Amazon rainforest. Although this was certainly not her intention, Guillermoprieto's despairing vision of a Latin America beset with so many problems, including gang violence, plays into the dark imagery propagated by the current occupant of the Oval Office.

The Good Allies: How Canada and the United States Fought Together to Defeat Fascism During the Second World War

BY TIM COOK. Allen Lane, 2024, 576 pp.

In this timely, compelling history, Cook explores the important role that Canada played in the defense of North America during World War II. Canada's burgeoning industrial plants churned out fighter jets and heavy trucks for the Allied war effort, while the country supplied aluminum and hydropower to American manufacturers. In the Manhattan Project, Washington's top-secret effort to develop the atomic bomb, the United States relied on Canadian uranium. The two allies also negotiated a commercial agreement during the war and significantly increased bilateral trade. Diplomatically, Canada balanced between its mother country, the United Kingdom, and its southern neighbor, the emerging superpower. Cook brings to life the close personal relationship between U.S. President Franklin Roosevelt and Canada's long-serving Liberal Party prime minister William Lyon Mackenzie King: Roosevelt is the charming, considerate good neighbor; King, the cautious, steady junior partner. Canada emerged from the war more unified, more self-confident, more prosperous, and more integrated into the nascent U.S.-led international order.

The United States

JESSICA T. MATHEWS

We the People: A History of the U.S. Constitution

BY JILL LEPORE. Liveright, 2025, 720 pp.

In her characteristically lively history of the U.S. Constitution, Lepore argues that the document's capacity for amendment was not only central to the founders' political thinking but essential to its ratification. The founders tried to devise a constitution that could accommodate change without being too mutable, but their solution—the possibility of amendment—“failed.” Rather than give the power of amendment to “We the people,” the broader public, they gave it to Congress and state legislatures. Because of political polarization and uneven population distribution, Congress is now unable to pass amendments, and, according to former Supreme Court Justice Antonin Scalia, “less than two percent” of the populace can block an amendment. The Constitution therefore remains burdened with musty political anachronisms (such as the role of the Electoral College in presidential elections) that threaten American democracy. In striking contrast, voters have approved nearly 70 percent of around 10,000 proposed amendments to state constitutions. The alternative to formal reform through amendments in Congress would be nimble, modern interpretations by the Supreme Court, but that, too, is unlikely given the

commitment of many current justices to the doctrine of originalism. Lepore's passionate denunciation of this theory of constitutional interpretation paints it as one of the "stranger paradoxes" of American constitutional history.

Total Defense: The New Deal and the Invention of National Security

BY ANDREW PRESTON. Belknap Press, 2025, 336 pp.

In the late 1930s, the concept of what constituted the United States' necessary defense underwent a sudden and complete transformation as a long-standing, narrow focus on defense against foreign invasion gave way to the sense that threats came from anywhere and in many forms. Preston traces this metamorphosis as arising from the anxieties of the Great Depression. The New Deal had made it the government's role to protect individual Americans from the spiraling uncertainties of rapid urbanization, foreign trade, mass poverty, and old age. President Franklin Roosevelt often called this obligation "total defense," a precursor of what would come to be understood as the concept of "national security." A sobering history unfolds, showing how the concept quickly took root in the national culture even as it steadily broadened until national security officials perceived strategic, economic, political, and ideological threats emanating from everywhere. The more powerful the United States became, the more its fears grew. Preston's intellectual history has obvious relevance to the current search for a foreign policy that balances the need for American

global leadership and engagement against the temptation to lurch into ill-considered military action.

America's Fatal Leap: 1991–2016

BY PAUL W. SCHROEDER. Verso, 2025, 336 pp.

Schroeder, who died in 2020, was a celebrated historian of international politics and diplomacy. These essays on American foreign policy, particularly on U.S. interventions in the Middle East from the Gulf War through the invasions of Afghanistan and Iraq, were originally published in *The American Conservative* and are here published by the leftist Verso Press. That they fit comfortably on both sides of the political spectrum reflects their brilliance, the breadth of their historical grounding, and Schroeder's ability to strike directly at the heart of misguided policy with blistering clarity but without partisan rhetoric. His 2001 essay "The Risks of Victory," on the U.S. response to the 9/11 attacks and the war in Afghanistan, demonstrates the folly of giving terrorists a war they wanted and dazzles with its prescience on the eventual outcomes. His analysis of the differences between empire and hegemony (one to rule, the other to manage; one incompatible with the modern international system, the other, in the right circumstances, stable within it) concludes convincingly that the invasion of Iraq was an "informal" bid for empire destined for failure. Few works provide as perceptive a guide to the past 25 years or more powerful pointers toward a wiser future.

No Better Friend? The United States and Germany Since 1945

BY PETER SPARDING. Hurst, 2024, 256 pp.

The only thing to regret about this engaging, beautifully written history of the pivotal relationship between the United States and Germany—the largest, most economically powerful country in Europe—is that it was completed just before twin seismic political upheavals: the election of U.S. President Donald Trump in November 2024 and, a few months later, the German elections that saw a doubling of the vote for the far-right Alternative for Germany party. Breaking with decades of unwavering transatlanticism, the new chancellor, Friedrich Merz, soon declared that his “absolute priority” was to strengthen Europe so that it “can really achieve independence from the USA.” Perhaps in a few years, Sparding will write a new edition. This volume, which traces the ups and downs of political, strategic, economic, and cultural relations and the philosophical links and frequent differences between the two countries, provides a welcome understanding of a crucial relationship whose future is deeply uncertain. Sparding, a German American who counts both countries as “home,” writes with equal insight about both places.

Melting Point: Family, Memory, and the Search for a Promised Land

BY RACHEL COCKERELL. Farrar, Straus and Giroux, 2025, 416 pp.

Cockerell set out to write a family memoir and ended up crafting an absorbing history of a little-known episode in the birth of Zionism that saw 10,000 Jews leave Russia for, of all places, Galveston, Texas. She planned to write a conventional narrative but ended up telling the story with no prose of her own, instead splicing together bits and pieces of primary sources—letters, newspaper articles, memoirs, and interviews. The resulting text has an energetic momentum and an almost cinematic quality. Although Theodor Herzl had founded Zionism in 1897 with the goal of directing Jews to the Holy Land, a series of particularly vicious pogroms in Russia in the first few years of the twentieth century set off an urgent search for some other territory to which hundreds of thousands of Russian Jews could swiftly go. Thus “territorial Zionism” was born, in which the British playwright Israel Zangwill (who was the first to describe America as a “melting pot”) played a leading role. Cockerell’s great-grandfather, David Jochelmann, became Zangwill’s close associate in the project. Between 1907 and 1914, thousands of Jews arrived in the port of Galveston, where they were welcomed and helped to find new homes in the West and the Midwest. In the end, the book circles back to the Jewish search for a home after the catastrophe of World War II and, in just a few potent pages, the consequent suffering of the Palestinians, magnified by the current horrific destruction underway in Gaza. 🌍

Letters to the Editor

In Denial?

To the Editor:

As the world has become more multipolar over the last 75 years, so, too, have the nuclear threats to the United States. Today, China, North Korea, and Russia point their missiles, armed with thermonuclear warheads, at the American homeland. The task of extending nuclear deterrence to allies has also become more complicated for Washington. Those allies, including Japan and South Korea, are concerned that U.S. credibility is not what it once was and are now considering acquiring nuclear arsenals of their own.

In their article “How to Survive the New Nuclear Age” (July/August 2025), Vipin Narang and Pranay Vaddi conclude that to deal with this new landscape, Washington “needs a more flexible and robust arsenal not to fight a nuclear war but to prevent its outbreak.” Their argument is undergirded by a pessimistic assessment of the likelihood of successfully pursuing “arms control and nuclear risk reduction efforts.” Given the authors’ understanding of the purpose of the U.S. nuclear arsenal, their judgment is unsurprising.

Narang and Vaddi argue that U.S. nuclear strategy has three parts: “to survive a first strike and impose assured destruction on its attacker”; to “limit the amount of damage the attacker can inflict on the United States and its allies” by maintaining “the capability to destroy as many of the attacker’s nuclear weapons as practicable before or after they are launched”; and to “retain sufficient nuclear capabilities after an initial exchange to deter further attack.”

One is left to wonder how the pursuit of all the “counterforce” capability required of the second part of the strategy—an extraordinary characterization of the traditional goal of “damage limitation” laid out in past U.S. nuclear posture reviews—can be distinguished from the pursuit of a disarming, preemptive, “first strike” capability. Is the purpose of the United States’ nuclear arsenal to deny the country’s adversaries deterrence of their own? Would not acceptance of the authors’ criteria for a proper nuclear strategy guarantee an arms race?

Narang and Vaddi correctly recognize the potentially destabilizing impact of the Trump administration’s proposed Golden Dome missile defense. But they assign no responsibility for the increased threat posed by China’s and

Russia's diversified strategic nuclear arsenals to the United States, which, by withdrawing from the Anti-Ballistic Missile Treaty in 2002 and its subsequent pursuit of a homeland ballistic missile defense capability, threatened the ability of Beijing and Moscow to deter a U.S. preemptive first strike.

It is certainly reasonable to reconsider the size, shape, and purpose of the U.S. strategic nuclear weapons arsenal as the character and magnitude of the threat from adversaries evolves and grows. But any reevaluation must take into account adversaries' likely reactions to it. Washington should not expect to achieve its security objectives by attempting to prevent adversaries from seeking security through a deterrent strategy similar to its own. If it does, it should expect a dangerous, never-ending arms race.

ROBERT L. GALLUCCI
*Professor of the Practice of Diplomacy,
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Georgetown University*

Narang and Vaddi reply:

We agree with Robert Gallucci that the risk of a nuclear arms race must be considered when presidents make decisions regarding nuclear strategy, policy, posture, and capabilities. But it is not the United States that is drastically expanding its nuclear arsenal or introducing new and destabilizing capabilities; China and Russia are doing so. Both continue to enhance their strategic and nonstrategic arsenals, with China developing fractional orbital bombardment systems—weapons placed in low-earth orbit to elude missile defenses—and Russia seeking nuclear-powered cruise missiles and nuclear-armed antisatellite

weapons, among other capabilities. All these present new deterrence challenges that demand a new approach from the United States. Business as usual will threaten American national security.

Moreover, preserving the imperative of damage limitation—a core component of U.S. nuclear strategy for almost three-quarters of a century—does not require the United States to mirror either China's or Russia's approach. We propose modest adjustments that are consistent with decades of U.S. nuclear thinking and that do not expand the U.S. stockpile. We do so as we prioritize stable deterrence and reducing the risk that a nuclear weapon will be employed by any actor. Arms races do not by themselves increase the risk of deterrence failure; unchecked asymmetries in arms competition do.

Finally, we note that nuclear deterrence cannot be managed solely by changes to U.S. nuclear posture. Arms control policy will remain essential, and serious U.S. nuclear strategists should support diplomatic measures that promote stable deterrence. U.S. administrations must create incentives for adversaries to engage in nuclear diplomacy. But at the moment, it is China and Russia that are unwilling to enter those discussions, not the United States.

Should Asia Make It Official?

To the Editor:

Ely Ratner's article, "The Case for a Pacific Defense Pact" (July/August 2025), reflects an appropriate sense

of urgency about deterring Chinese aggression among Australia, Japan, the Philippines, and the United States. Yet his central argument—that these countries should codify mutual defense obligations—overlooks crucial realities that make what others have termed an “Asian NATO” counterproductive.

Relative political homogeneity and a degree of institutional trust have made NATO possible in Europe. No such consensus on the threat posed by China has emerged in the Indo-Pacific, even among Ratner’s “core four” countries. Japan’s security strategy prioritizes defense cooperation with like-minded neighbors but not mutual defense commitments. Australia’s geographic distance from potential conflict zones in East Asia and shifting defense posture—from expeditionary peacekeeping to deterrence by denial and regional force projection—set it apart from other countries in the region. The Philippines is not yet capable of meaningful joint military operations with treaty allies such as Japan or the United States.

Thanks in part to the policies Ratner himself helped put in place as a senior official in the Biden administration, the region’s security architecture is already evolving organically, through a flexible network of bilateral and trilateral agreements that makes the most of these diverse (and ambiguous) postures. Elevating these arrangements into a treaty-based mutual defense pact could disrupt an already effective system, create a commitment hazard that China would certainly test, and alienate partners not yet ready—or willing—to formalize security commitments, such as India and South Korea. Attempting

to institutionalize collective defense without the support of these key actors could fracture the very trust and coordination Ratner seeks to enhance.

Ratner is right to call attention to the growing sense of shared purpose among U.S. allies in Asia. But this commonality is better advanced by deepening existing mechanisms, not rushing toward formal alliance structures. The challenge in Asia is not a lack of cooperation, but a temptation to institutionalize cooperation faster than the region can support. It should be resisted.

KEN JIMBO

Managing Director of Programs at the International House of Japan, Professor of International Relations at Keio University, and former Senior Adviser to Japan’s National Security Secretariat

Ratner replies:

Ken Jimbo rightly underscores recent progress in networking U.S. alliances. But although the resulting mechanisms are important and even unprecedented, they remain too informal to deliver true and lasting combat-credible deterrence. Deeper institutionalization, especially in areas such as force posture, operational planning, and command and control, will be necessary if U.S. allies are serious about working together to keep the peace in the Indo-Pacific. The preparedness made possible by a formal pact would give presidents and prime ministers real-time options for collective defense during crises. A lack of preparedness and coordination would greatly diminish the potential deterrent power that alliances could otherwise

confer. It would instead invite greater instability and increase the risk of undeterred Chinese aggression.

The Price of Primacy

To the Editor:

In “Dispensable Nation” (July/August 2025), Kori Schake makes a compelling case against U.S. President Donald Trump’s foreign policy, which she argues is jeopardizing the rules-based global order the United States crafted after World War II. But Schake’s description goes too far. Despite Trump’s tirades against allies, his administration’s foreign policy remains quite conventional.

The U.S. global force posture under Trump is nearly identical to what it was under President Joe Biden, with Trump leaving the approximately 200,000 U.S. troops and hundreds of U.S. bases worldwide mostly as they were before he took office. Not a single U.S. alliance has been ruptured, and to the extent that disagreements

occur between the United States and its allies, they center less on how those relationships should function and more on how much the allies are spending on their own militaries. Far from searching for alternatives to American power, allies in Europe and Asia are begging the United States to maintain its current level of support.

Instead of worrying about the end of U.S. dominance in global affairs, one should question whether the juice of this dominance is worth the squeeze. Schake believes it is, but she neglects to mention any of the costs associated with continuing the status quo, foremost among them an unwillingness on the part of American officials to prioritize what issue is worthy of U.S. involvement. Other strains include a massive overextension of the U.S. military, an American defense-industrial complex unable to meet its work orders, and the propping up of security dependents rather than capable allies. None of that should just be swept under the rug.

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Winter 1988/89

“Iran: The Impossible Revolution”

FOUAD AJAMI

In 1988, at the end of the Iran-Iraq War, the scholar Fouad Ajami took to these pages to consider the future of the Iranian regime. The Islamic Republic's decade of revolutionary triumph was over, Ajami argued, but its bid for primacy was not. A new Iran would be unpredictable—a cynical and weary state, with accounts left to settle.

In the Islamic world the summer of 1988 evoked memories of another summer, 21 years before. In the summer of 1967 the hero-leader of Pan-Arabism and nationalizer of the Suez Canal, Gamal Abdel Nasser, acknowledging the force of facts, told his faithful that their dream of power, autonomy and radical nationalism had ended in bitter disappointment and defeat. He had stirred a storm; now he had to call it off. He had promised a bright new world, but the Arab defeat in the Six Day War showed up the inadequacy of so much of his labor.

In the summer of 1988 it was the turn of Ayatollah Ruhollah Khomeini: the believers of the Iranian Revolution were

told that the war against Iraq, which the “armed imam” had vowed to prosecute to victory, would have to be written off. He would drink the “poisoned chalice” of accepting the peace. He was “ashamed,” he said, before his nation and its sacrifices.



During the preceding decade, in his years of triumph, Khomeini had been a stern and remote figure to his people; he had righteously called for their obedience and submission. With his revolution on the ropes, he spoke to his “revolutionary children” in a different voice. It was hard for them, he knew, to accept what had come to pass. “But then,” he asked rhetorically, “is it not hard for your old father?”

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