

**Vietnam WUDC Matter File**  
**Ryan Lafferty**

## **DISCLAIMERS**

- (1) I am not an expert on any of the subjects in this matter file, so take everything with many grains of salt! There are, without doubt, many errors and inaccuracies in this document, all of which are purely my own fault. Relatedly, some of the material in this document may be outdated; for reference, these notes were started in June 2023, and the last edits were made on December 19<sup>th</sup>, 2023.
- (2) There are many debaters out there who have much stronger and better-developed views on how to approach many of the topics, motions, and clashes contained in this document. I am no “debate expert” or anything close to it, so you should definitely defer to smarter and better-read voices when my notes seem incomplete or low-quality.
- (3) I've personally found that the process of matter-filing does far more good for your debating than the end-result of matter-filing (i.e., possessing a long collection of notes), so don't consider this document a “substitute” of any kind for doing your own research, as you'll be much better-off putting in the work yourself. I'm releasing this document in the hopes that some people might find these notes useful as a supplementary resource!
- (4) This document does not reflect my own views/beliefs/opinions; the arguments and briefings in this document are intended solely for the purpose of preparing for BP debate tournaments!

## **TABLE OF CONTENTS**

Stock Arguments	Page 3
Substantive Matter File	Page 115
International Relations	Page 358
Southeast Asia	Page 461

## Stock Arguments

State Ownership	5
Nationalization	5
Privatization	8
Resource Curse	11
Currency Strength	12
Interest Rates	13
FOMC	13
Lower Rates	13
Raise Rates	14
High/Low Nominal Rates	14
Too Big To Fail	15
TBTF G-SIFIs	15
Break Up G-SIFIs	15
Nationalize SIFIs	17
G-SIFIs are Good	24
Bailouts	26
Free Trade	28
Inflation	30
Labor Rights	31
Wages	31
Unions	31
Sanctions	32
Against Sanctions	32
For Sanctions	34
Leadership Decapitation	35
Military Invasions	40
Drone Strikes	43
FDI/MNCs	47
Urbanization	48
Urbanization Good	48
Urbanization Bad	49
Censorship	51
Corporate Censorship Good	51
Corporate Censorship Bad	52
Free Speech	53
Defending Free Speech	53
Curbing Free Speech	56

Social Justice Stock Arguments	57
Radicalism	57
Leaders	58
Court Successes	58
Leader-Led Protests	59
Justice System	63
Deontological CJS	63
Future Victims	64
Current Victims	64
Progressive Judges	64
Conservative Judges	65
Deterrence Fails	65
Legal Cynicism	65
Long Sentences Good	66
Longer Sentences Bad	66
Ludovico Technique	67
Jury Nullification Bad	71
Free Will	72
State Power Principle	72
Autonomy	78
Anti-Democracy Principles	78
Social Contract	79
Money vs Happiness	80
Federalization	81
Drug Legalization	84
Religion	90
Stock Religious Arguments	90
Separation of Church and State	90
Religious Coercion	90
Religion Good	91
Religion Bad	91
God Likely Exists	91
Standardized Tests	92
Standardized Tests Bad Metrics	92
Standardized Tests Good Metrics	93
Standardized Tests Biased	93
Standardized Tests Unbiased	93
SCOTUS on Affirmative Action	94

Dollar Hegemony	98
Residential Zoning	102

## **State Ownership**

### *Nationalization*

- TL;DR—Private-sector profit incentives raise prices for consumers, lower the quality of services, and lead to the mistreatment of workers; conversely, governments face strong political incentives to ensure services remain affordable—especially when private firms establish natural monopolies. State-owned companies can act as vehicles of development, acting in unison with state priorities and helping to implement long-term development agendas. Privatization also worsens corruption: state bureaucrats possess “shadow” influence, since governments usually retain hefty (albeit non-majority) stakes in recently-privatized firms or issue renewable contracts (like for extractive projects), yet private industries face less public (political) scrutiny and are rarely as transparent as state-owned firms. Furthermore, privatization is highly contentious and often foments instability in domestic politics; even worse, privatizing industries often reduces access to vital services (like electricity or transportation infrastructure) in highly poor areas, where profits simply can’t be made. Nationalization might improve long-term state-building by developing a mass of experienced bureaucrats capable of managing large-scale enterprises.
- Natural monopolies operating in industries characterized by demand inelasticity must be nationalized.
  - Markets work only when companies face competitive pressures to lower prices and innovate. Competitive pressures only exist within an industry when new firms can enter that industry.
    - When the barriers to entry are crushingly high, competitive mechanisms of accountability fall short.
    - In this context, and when demand does not decrease significantly when prices increase significantly (i.e., demand is inelastic), companies are able to price gouge.
    - When companies face limited competition, the labor market operates as a monopsony with an oligopoly of employers. That hurts workers’ bargaining power.
  - Barriers to entry include: (1) Supply-side economies of scale (e.g., scale overcomes high fixed costs). (2) Demand-side network economies (e.g., trust, established user base, data-refined algorithms, market power of advertising). (3) Capital constraints (e.g., profitability takes years to achieve). (4) Incumbency advantages (e.g., proprietary technologies, patents/IP, preferential access to raw materials, institutional experience). (5) Unequal access to distribution channels (e.g., exclusivity arrangements with retailers). (6) Expected reaction of

established firm (e.g., predatory pricing). (7) Restrictive regulations (e.g., licensing, zoning).

- Private-sector incentives are worse than public-sector incentives.
  - **Exploitation:** Profit maximization incentivizes companies to (i) price gouge, (ii) reduce innovation/R&D, and (iii) mistreat workers. Governments are better: they must appeal to a broad electoral base, avoid controversy to maximize electability, delegate management to impartial civil service bureaucrats, report information transparently to the public, and learn from past mistakes over the long haul.
  - **Geography:** SOEs cross-subsidize losses to provide services in low-income areas, even where profit cannot be found.
  - **Long-Term:** Private companies are focused on the short-term:
    - Most MNCs are publicly traded; quarterly reporting requirements force companies to maximize short-term earnings, which institutional investors scrutinize closely.
    - Uncertain economic conditions deter companies from assuming long-term risks; so too does competition—if your company’s existence is on the line, sustaining short-term profitability takes precedence over long-term investments.
    - Conversely, governments care about the long term:
      - Party elites care about the legacy they leave behind.
      - Voters support long-term initiatives (e.g., poverty alleviation via infrastructure).
      - Long-term projects (e.g., construction initiatives) create short-term gains (e.g., new jobs), hence appeasing short-termist voters.
      - Parties must fight for their long-term interests; individual parliamentarians have strong incentives to promote their long-term electability.
      - Beginning long-term projects improves countries’ standing with international creditors by signaling a commitment to long-run growth.
- Private-sector companies are less accountable than governments.
  - Blue-chip companies are accountable solely to the investors and shareholders, while governments must be responsive to electoral pressures and activists.
  - Governments must be more transparent than private-sector companies, which hide behind intellectual property protections.
  - Governments have constitutional and legal duties to maximize the well-being of the general public; failing those duties is subject to litigation.
  - Few people believe they (either individually or collectively) can change the behavior of multi-billion-dollar multinational corporations—but many believe (due to past precedent) that they can affect change in governments.

- Politicians cannot withstand controversy as well as corporate actors since electoral campaigns quickly blow controversies out of proportion.
- Nationalization expedites redistribution.
  - Nationalized SOEs keep profits at home whereas multinational corporations send profits to offshore bank accounts in Western economies.
  - Governments are more attuned to the non-economic needs of local communities and hence manage SOEs in more prosocial ways than profit-driven companies (e.g., production of crucial goods after natural disasters, repurposing companies in times of financial crisis).
- Nationalization is justified.
  - Market failure justifies nationalization (e.g., coercive monopolization justifies state intervention). In particular, when monopolies arise naturally (e.g., water utilities), nationalization is crucial.
  - Markets are valuable instrumentally (i.e., markets are good inasmuch as they provide services efficiently at fair prices); when nationalization better achieves those ends, nationalization is justified.
- Regulation is insufficient.
  - Corporations wield great influence over legislators via lobbying, campaign finance contributions, and personal connections. That means (i) regulations are gutted during parliamentary debates, (ii) regulations are often rolled back in successive years, and (iii) pro-deregulation candidates gain power in future elections.
  - All regulations must contain loopholes and exceptions; large companies employ vast armies of well-paid corporate lawyers to sift through legal codes and find ways to exploit those loopholes.
  - Regulatory lag undermines regulations' effectiveness: companies move faster than bureaucratic regulators, side-stepping regulations faster than regulators can patch regulatory holes.
  - Legislators, and the laws they pass, are often incompetent (e.g., on technological or financial matters) due to age, hubris, and inexperience.
  - **Regulatory capture:**
    - Regulatory agencies are captured by the very companies they intend to regulate per the “revolving door” effect and intense lobbying by companies affected by regulation.
    - Regulatory agencies usually require industry cooperation, incentivizing such agencies to bend the knee and acquiesce to companies’ demands.
    - Regulations disproportionately hurt smaller firms, increasing consolidation, and therefore buttressing the bargaining power of established firms.

- Bureaucrats are often understaffed and under-resourced relative to multinational corporations.
- The political support for robust regulation is diffuse (e.g., millions of consumers) whereas businesses constitute organized interests with greater stakes in regulatory policy.
- Privatization is ineffective.
  - Companies fear renationalization (e.g., the 1960s/70s wave of nationalization was followed by the 1980s/90s wave of privatization which was then followed by the 2000s/10s wave of re-nationalization).
  - Privatization worsens corruption: the bidding process is rife with corruption and sweetheart deals, with thousand-page deals transferring ownership of multi-billion-dollar companies behind closed doors. Comparatively, SOEs remain visibly subject to scrutiny.

### *Privatization*

- TL;DR—State-owned enterprises are vectors of corruption because they incentivize political graft and become enmeshed in patronage networks; as such, SOEs frequently provide low-quality services. Conversely, regulations (e.g., price controls or consumer subsidies) can limit private-sector price-gouging while still permitting the competition between private firms that, in time, reduces costs, enhances efficiency, and improves the quality of services. Foreign firms often have better technology, expertise, and institutional knowledge for managing complex corporate operations, like resource extraction projects; even better, MNCs commonly can borrow more affordably than debt-saddled governments, therefore spurring greater investment. And while short-termism dominates political parties, large corporations usually have longer-term incentives, especially when they are predominantly owned by institutional shareholders with orientations towards the long-term. Furthermore, privatizing industries in emerging markets signals fiscal prudence to international investors and also floods governments with cash they can spend on socially and politically desirable projects.
- Privatization promotes efficiency.
  - Nationalized SOEs are insulated from competitive pressures both explicitly (i.e., horizontal nationalization purges away private-sector competitors) and implicitly (i.e., governments protect “national champions” through anti-competitive regulations), so slack, waste, and negligence go unpunished by market forces; consequently, state resources are wasted. Private firms, by contrast, face the ever-existent threat of death-by-competition.
  - Bureaucracy and red-tape stymie innovation within state-owned enterprises. Private firms face evolutionary pressures to adapt and evolve rapidly so as to stay in business.

- Private firms have greater access to capital since they typically have better credit ratings due to their impressive histories of good credit and effective corporate governance; further, MNCs often have pre-existing ties to Western financial markets (e.g., primary bond markets sponsored by NASDAQ/NYSE) and pre-existing relationships with major financial institutions (e.g., JPMorgan). Governments are already cash-strapped and suffer from low credit ratings (especially in developing economies) and poor reputations amongst international creditors.
- “Soft budget constraints” beget administrative bloat, managerial corruption, and inefficient corporate governance within SOEs. When these SOEs become such “zombie companies” requiring successive bailouts to stay alive, governments assume vast debt burdens, increasing sovereign debt loads.
- Governments lack expertise: bureaucrats and civil servants lack technical knowledge and managerial skills to effectively run industries typically in private hands.
- Rates of manager turnover are high in SOEs since (i) political appointees are typically nearing retirement age (and given positions as rewards for decades of loyal patronage), (ii) anti-corruption purges cycle new leadership in and out the door, and (iii) different parties rotate in and out of power.
- State-owned enterprises are vectors of corruption.
  - Lucrative careers in SOEs are handed out as rewards by party leaders and government officials in positions of power. SOEs hence become staffed with under-qualified cronies and loyal patrons of the party.
  - State ownership of private enterprises creates the conditions needed for corruption to arise. Moreover, SOEs attract greedy, self-interested individuals to enter politics.
  - Corruption is a two-way street as SOE managers gain leverage over political officials because they control resources. SOE leaders push for further protections, preferential access to land and loans, and bailouts in times of crisis.
  - Nationalization undermines democratization. SOE revenues (i) reduce states’ dependence on taxes, reducing voters’ bargaining power and (ii) empower states’ security apparatuses. Further, when economic statism expands even further over time, so too does state control over private life.
- Private-sector incentives are better than public-sector incentives.
  - Corporations’ profit incentives are preferable to politicians’ electoral incentives.
    - SOEs discriminate—as some constituencies are not electorally determinative or are victims of ethno-nationalist governments—while private firms’ appetite for profit is blind to ethnicity, race, caste, and religion.

- In countries with histories of state-sponsored oppression, state-run services (e.g., telecommunications) are less likely to be trusted than privately-run services.
- Companies care more about long-term development than governments.
  - Governments extract short-term gains from SOEs (e.g., redistributing profits from mineral mining enterprises as cash-handouts) to boost electability in upcoming elections, but neglect long-term capital expenditures, research and development, and infrastructure development.
  - Companies prioritize long-term considerations:
    - Large MNCs are typically publicly-listed and majority-owned by long-term-oriented institutional investment funds (e.g., pension funds, mutual funds) which must pay-out to their shareholders over many years.
    - Corporate executives' compensation is usually tied to long-term performance (i.e., restricted stock options). Hence, MNCs' board of directors and C-suite executives selfishly prioritize investing in the long-term.
    - When SOEs are privatized, bidders spend billions to acquire majority ownership of newly-privatized firms. The type of investor willing to take this short-term hit evidently has a revealed preference for long-term profitability over making a quick buck.
- Companies are not exploitative.
  - Companies are subject to greater scrutiny than governments, as they're widely perceived as greedy and Western. Moreover, ESG investing is on the rise.
  - Ownership contracts (e.g., mine ownership) must be renewed periodically (e.g., every fifteen years) so companies must (i) provide better service than competitors and (ii) appease local consumers to avoid political backlash.
  - Tiered pricing regimes maximize profits and accessibility concurrently.
- Privatization strengthens private-sector markets.
  - Nationalization chills investors by signaling a state's willingness to intervene in markets to further political interests; nationalization hence begets capital flight. Privatization, conversely, signals fiscal discipline and commitment to strengthening the private sector and hence increases foreign investment.
  - Nationalization distorts capital markets. SOEs are backed by implicit guarantees of state protection/bailout, greatly reducing their risk of default; SOEs thus become favored in capital markets by institutional investors. When SOEs abuse their abundant access to cheap credit, the supply of loanable funds decreases, increasing borrowing costs for private-sector firms.

- Privatization brings in substantial revenue, which states can use to enhance the economy's productive potential.
- Privatization stifles private enterprises in adjacent industries: states protect SOEs (e.g., train companies) from substitute industries (e.g., automobile manufacturers).
- SOEs hire many workers (even beyond necessity) and pay fat wages (well above market rates) because unions exert great influence over governments and because employment by the state is a convenient mechanism for retaining power. This (i) puts upward pressure on wages, driving SMEs under, and (ii) saps talent from the private sector.
- Democratic accountability via nationalization is ineffective.
  - Most voters are single or dual issue voters; mismanagement of SOEs rarely, if ever, swings elections, let alone changes voters' behavior.
  - Media oversight is limited and SOEs are complex and opaque; hence, corruption and mismanagement are rarely exorcized via democratic elections.
  - Democratic institutions are oft-weak: corruption is widespread, voter turnout is persistently low, misinformation is everywhere, voters are apathetic, party machines control narrative, and democratic rights are increasingly under assault.
  - Blame is diffused across many actors (e.g., local MPs, federally-elected PM); plausible deniability undermines accountability.
- Regulation works: privatization's downsides are best solved through regulations localized to those downsides (e.g., price caps for price gouging).
  - Lobbying is feared too much, given legislation restricting lobbying, counter-lobbying from consumer protection activists, and bureaucrats' disinterest in appearing corrupt. Further, campaign finance contributions are instrumentally useful; money cannot erase scandals.
  - Common-sense regulation is a win for all parties: politicians gain political brownie points for reigning in big business and companies gain protection against self-destructive "races to the bottom."

### Resource Curse

- Dutch Disease: When you have a dominant export sector, typically in mineral or natural resources, demand for your currency sharply increases, causing currency appreciation. In turn, currency appreciation reduces the competitiveness of other export sectors by making those exports more expensive.
- Rentier Effect: States grow to rely on "economic rents" from natural resources:
  - Reliance on resource rents reduces states' need for dynamic, productive economic sectors besides resource extraction. There is thus little incentive to invest in diversification.
  - Resource rents reduce states' reliance on domestic taxes, causing citizens to grow politically detached and lose bargaining power. Further, taxation requires

- compromise: states must accept binding constraints on their power to justify their demands for taxation.
- Unearned rents are easily funneled into the state security apparatus or used to silence dissidence through lavish employment opportunities or bountiful handouts.
  - Natural resource rents encourage corruption: the incentive to be corrupt is staggering (especially when governments cannot pay hefty wages) and the ability to evade detection is high.
  - The extraction–corruption relationship incentivizes governments to reduce transparency, so as to hide kickbacks and sweetheart deals.
  - Price Shocks: In the good times, states are *fiscally profligate* (reckless). When commodity prices fall, revenues plummet and resource economies implode. Welfare schemes funded by commodity revenues crumble, causing protests. Sovereign debts become unsustainable when state coffers dry up.
  - Exhaustibility: Natural resources (e.g., oil wells) will be exhausted at some point in the future.

Defending resource-based economies: (1) Post-colonial states lack alternatives; extractive industries are the best shot at development. (2) Commodity revenues give states the money needed to fund welfare programs and invest in long-term diversification (e.g., Vision 2030 in Saudi Arabia). (3) The rise of SWFs (e.g., Norway's \$1.4T oil-based SWF) reduces the short-term harms of resource economies. (4) Commodity revenues reduce borrowing costs in international credit markets. (5) Developing economies gain leverage over the exploitative West via “resource nationalism.” (6) Currency appreciation is good: (i) appreciation cheapens imports, (ii) appreciation reduces costs of foreign currencies hence facilitating dollarized debt servicing, and (iii) resource industries bring in hard, foreign currency.

### Currency Strength

Currency Appreciation: (1) Strong currencies reduce import prices. (2) Strong currencies facilitate debt servicing, when debts are denominated in foreign currencies. (3) Domestic firms can merge with and/or acquire foreign firms more cheaply when the domestic currency appreciates. (4) Domestic firms' resource imports (e.g., oil, technology) are cheaper, hence lowering inflation.

Currency Depreciation: (1) Exports are more competitive with weak currencies. (2) Weak currencies increase tourism. (3) Currency depreciation reduces imports and increases exports, helping to balance trade deficits.

## Interest Rates

### *FOMC*

- The Federal Reserve's Federal Open Market Committee (FOMC) has raised benchmark interest rates 11 times since March of 2022, from 0% to just over 5%. Currently, the overnight federal funds rate is 5.25% to 5.50%.
- Annualized inflation computed via the consumer price index is 3.70% as of September 2023; inflation computed via the personal consumption expenditures is 3.40%. Core inflation, which excludes food and energy prices, is 4.15% as of 9/23. Supercore inflation, which excludes food, energy, and housing prices, is just 1.2% as of 9/23.
- Inflation has fallen considerably over the last nine months; headline inflation hit 9.9% in August 2022.

### *Lower Rates*

- Inflation isn't a top priority: inflation is falling in most OECD economies; COVID is over; companies are embracing resilience in supply chains; China's lockdown ended a year ago; oil prices have cooled; alternative energy sources are rising; investment in green energy has soared; China's stagflationary crisis is souring global energy markets; pandemic-era stimulus has worked its way through the economy; past rate hikes are sufficient and are still just coming into effect; greedflation is theoretically controversial.
- Lowering rates counterintuitively reduces inflation: correcting supply chains is capital-intensive, but higher borrowing costs incapacitate firms from diversifying their supply chains; energy resources are priced in petrodollars/eurodollars, but hiking interest rates leads the USD/EUR to appreciate; small- and medium-sized businesses (SMEs) are hit the hardest by rate hikes, reducing competitiveness and promoting inflationary consolidation; by halting rate hikes, economists at the Fed can precisely pinpoint the effects of the past rate hikes on current-day inflation.
- Raising interest rates hurts consumers: higher interest rates punish middle-class citizens who rely on loans to pay for education, housing, and transportation; many mortgages are adjustable-rate, so further tightening increases housing costs for both homeowners and renters; employees face layoffs at work when employers cannot access affordable short-term financing to meet payroll demands. This is a tipping point because inflation has fallen dramatically in the last half-year, so most households expect monetary loosening and hence have planned and budgeted for interest rates not further increasing.
- Raising interest rates causes financial turbulence: SVB was just the beginning, and further rate hikes will put unbearable strain on banks' balance sheets by (i) increasing interest rates on overnight interbank loans, worsening banks' day to day liquidity needs, (ii) exposing banks to further interest rate risk, and (iii) depreciating Treasuries on banks' books. Further, central banking actions send signals to markets; further rate increases suggest overheating persists, incentivizing banks to further tighten access to credit. Moreover, this signaling effect causes cascading asset sell-offs; as panic sets in,

businesses fail, stock prices implode, credit markets freeze, and millions of innocent people get hit as collateral damage.

- Raising interest rates hurts developing economies. Servicing dollarized debts is more expensive when the USD appreciates; unfortunately, further rate hikes cause dollar appreciation by increasing yields in US financial markets. The compounding capital flight from low-interest-rate monetary environments will crush emerging markets.

### *Raise Rates*

- Inflation requires further taming, especially given red-hot labor markets, resilient consumer demand, and high commodities prices. Cutting rates reignites demand-side inflationary pressures.
- Central banking mandates must not be ignored. Elsewise, central banking credibility is forever tarnished and central banks' capacity for forward guidance is all but eliminated.
- Raising rates stabilizes the economy: lowering interest rates leads to asset bubbles; lowering interest rates problematizes crisis recovery via the liquidity trap; and lowering interest rates encourages investors to seek out higher-yield higher-risk investments elsewhere.

### *High/Low Nominal Rates*

- **High:** High interest rates keep inflation in check by deterring excessive borrowing/spending and limiting over-leveraging by financial institutions; in particular, high interest rates are important for cooling off overheated economies, when spending and borrowing have surged uncontrollably. Because low interest rates reduce the attractiveness of conventional assets (like bonds), investors seek out higher returns in riskier or non-vanilla assets (with higher likelihoods of failure). Higher interest rates also benefit savers (who reap greater returns on their savings, thereby incentivizing an influx of capital into savings accounts) and retirees/pensioners (whose assets' returns are often indexed to, or affected by, market interest rates). Counterintuitively, higher interest rates might spur lending, as higher interest rates make direct lending more attractive to creditors.
- **Low:** High interest rates make borrowing more expensive, hurts small businesses (which now struggle to take out loans) and households (which face difficulty making auto loan and mortgage payments); that risks a wave of foreclosures, bankruptcies, and layoffs. Conversely, low interest rates encourage borrowing, enable capital expenditures (and thereby long-term growth) through borrowed funds, and increase the accessibility of financial services to underrepresented groups. Counterintuitively, low interest rates limit inflation: supply-side constraints on production (like rising energy prices or supply chain complications) require investment (like building new gas lines), which low interest rates make possible; furthermore, high interest rates promote consolidation by straining SMEs' balance sheets, thereby reducing the competitive market pressures that drive innovation

and cost-cutting. High (US) interest rates make USD-denominated assets more attractive, leading to dollar appreciation; since most international debts are denominated in the dollar, a strong dollar increases the risk of debt crises in developing markets. Additionally, raising interest rates engenders financial crises by signaling unfavorable market conditions to risk-averse investors, sharply depreciating the value of fixed-rate securities on banks' balance sheets, and hampering governments' access to affordable credit, thereby reducing public spending on essential services.

## **Too Big To Fail**

### *TBTF G-SIFIs*

- List of G-SIFIs: JPMorgan, HSBC, Citi, Bank of America, Goldman, Wells Fargo, BNY Mellon, BNP Paribas, Barclays, UBS, Deutsche
- Bank of International Settlements Definition: G-SIBs (global systemically important banks) are assessed through five metrics: (i) size (*total exposure, trading volume, assets under management*), (ii) cross-jurisdictional activity (*claims and liabilities crossing borders*), (iii) interconnectedness (*intra-financial system assets/liabilities*), (iv) substitutability/financial institution infrastructure (*underwriting activities, payments activity*), and (v) complexity (*Level 3 assets, notional quantity of OTC derivatives*).
  - Problem: “The negative externalities associated with institutions that are perceived as not being allowed to fail due to their size, interconnectedness, complexity, lack of substitutability or global scope are well recognized. In maximizing their private benefits, individual financial institutions may rationally choose outcomes that, on a system-wide level, are suboptimal because they do not take into account these externalities. Moreover, the moral hazard costs associated with implicit guarantees derived from the perceived expectation of government support may amplify risk-taking, reduce market discipline and create competitive distortions, and further increase the probability of distress in the future. As a result, the costs associated with moral hazard add to any direct costs of support that may be borne by taxpayers.”

### *Break Up G-SIFIs*

- Model: Split G-SIBs into (1) investment banks run as partnerships, (2) wholesale banks serving large MNCs, and (3) retail banks serving insured depositors.
- Moral Hazard: SIFIs are so financially interconnected and politically influential that their insolvency would threaten the health of the global financial system. Moral hazard is bad: (1) SIFIs assume excessive risk, anticipating bailouts. (2) SIFIs abuse preferential access to credit, reducing competition. (3) Taxpayers must foot the bill for failed SIFIs (e.g., SVB, Continental Illinois, Bear Stearns, AIG). (4) Moral hazard undermines market discipline.

- Systemic Risk: SIFIs are highly interconnected to other financial institutions (e.g., overnight interbank lending). Troubles at SIFIs induce market panic and asset fire-sales (especially since off-balance-sheet banking comprises significant but opaque revenue for SIBs). SIFIs are difficult to replace.
  - SIFIs are Risky: (1) Moral hazard; (2) SIFIs engage in more complex forms of credit intermediation (e.g., OTC derivatives, synthetic assets); (3) SIFIs cultivate cultures of arrogant trading across investment and commercial banking wings; (4) diseconomies of scale problematize assessments of correlation risk; (5) conflict of interests between underwriters (i.e., investment bankers) and lenders (i.e., commercial bankers); (6) bonus-based compensation packages incentivize risk-taking; (7) SIBs are too large and too complex to be regulated sufficiently, internally or externally; (8) proprietary trading permits trading on material, non-public, adverse information about client firms; and (9) capital buffers enable high-risk trading.
  - Diseconomies of Scale: Diseconomies of scale (e.g., communication costs) offset (or at least mitigate) economies of scale. Further, loan syndication enables pooling of risk across medium-size (non-SI) banks.
- Competition: SIFIs' borrowing costs are sharply lowered by implicit guarantees of state backing; small- and medium-sized banks cannot compete and are driven under (or forced into merging).
  - Small Banks are Good: (1) Community banks have intimate knowledge of clients' needs (e.g., start-ups, biotechnology firms, local SMEs) while large banks are bureaucratic and slow to adapt to changing market conditions. (2) Small banks cannot speculate with highly opaque financial instruments, nor do they anticipate bailouts, nor do they have vast capital buffers—and hence, must be more cautious and prudent in lending/investing. (3) Small banks do not suffer from diseconomies of scale, but participate in loan syndication to co-opt the efficiency gains from size.
- Regulation Fails: Banks' tremendous political and lobbying power ensures that prudential regulations (like the Volcker Rule) are gutted and regulatory agencies (like the SEC) are handicapped by shoestring budgets. Regulation becomes an unwinnable “arms race” as Wall Street’s army of corporate lawyers finds technical loopholes faster than regulators, bogged down in thickets of bureaucratic red-tape, can patch them. The “revolving door” effect, where banks lure top regulators into the private sector through lavish salaries, further reduces regulation’s efficacy. Regulatory arbitrage is the nail in the coffin: since regulations often reduce profitability, money flows from tightly-regulated banking sectors to poorly-regulated banking sectors, weakening regulation’s effectiveness.

### *Nationalize SIFIs*

MOTION: THW nationalize all systemically important financial institutions, such as banks and insurance companies

### GOV

#### **1—This is good for economic development and growth**

OPP will say a few things here, let's beat them:

1—OPP will say that state-run financial institutions will likely be plagued by corruption and mismanagement:

1—There's likely to be massive scrutiny on these companies by the media and investigative journalists, especially given the unprecedented nature of this nationalization scheme, which means we both catch and deter corruption from occurring

2—There's often internal watchdog agencies within most governments, especially at the federal level, to monitor for and crack down on corruption scandals

3—Given that many people are likely to fear corruption within these institutions, politicians have incentives to avoid even the *perception* of impropriety in order to reassure the public of the non-corrupt nature of these institutions

4—Given how large and massive these systemically important financial institutions are, the fear of whistleblowers coming forward with accusations of mismanagement or corruption is likely to act as a strong check and deterrent against corruption

5—Corruption is, if anything, quite a marginal concern: most large corporate executives are quite old and nearing retirement age, which means that they're often willing to promote lower-level executives, like managing directors or partners, based on nepotistic bias or social connections since they're already so close to being out of the company that the fear of termination isn't significant

2—OPP will say that state-run financial institutions will be slowed down by the inefficient government bureaucracy:

1—Red-tape is not intrinsically harmful: it actually acts as a strong mechanism against corruption because it ensures that money isn't spent improperly

2—Governments have incentives to cut down on superfluous bureaucracy to deter investors from pulling their money out of these institutions, since they want to combat even the *perceptual fear* of bureaucratic slow-downs

3—It's empirically the case that governments are not entirely restricted by inefficient bureaucracy: for instance, central banking institutions often act quickly and efficiently, as do many regulatory government agencies

3—OPP will say that state-run financial institutions will be unable to access skilled, qualified talent:

1—Empirically, the state is able to attract top talent in many sectors, like how government-run medical research institutions or space agencies like NASA are highly productive and innovate

2—Given the high level of talent and institutional knowledge within these companies as they exist now, it's likely that governments will hold on to many of the existing employees within these companies

3—There's lots of perks that come uniquely from working within the government, like the ability to climb up the ladder of the government bureaucracy later on or benefiting socially from being seen as a public servant, of sorts

4—Under our side, governments can still consult with experts and can still receive targeted advice from well-respected financial consultants

4—OPP will say that state-run financial institutions will be governed by short-termist government incentives:

1—At worst, this is a largely symmetric consideration because financial institutions are also highly short-termist for a few reasons:

1—In order to access external financing to shore up short-term liquidity needs, like receiving overnight loans from other banks or gaining the trust of independent investors, financial institutions need to prove their short-term profitability, which means their time horizons tend to be quite short. This is because investors heavily scrutinize quarterly earnings reports and use short-term pieces of insight to make trading and investing decisions

2—In an era of rising retail and day trading, many financial institutions are increasingly forced to compete with short-term-oriented investors, which means that their goals have increasingly shifted towards short-term viability

3—The lucrative salaries offered by the financial services sector invites a large supply of labor; within the fiercely competitive race for internship and analyst positions at these large financial firms, there's an incentive for individual, junior bankers or financial analysts to make decisions based upon the immediate, short-term benefit since they need to prove their worth immediately to beat out the thousands of other competitors vying for the limited number of positions available at these companies

2—Comparatively, governments actually have longer-term interests than companies. This is because the dominant norm within most legislative bodies like the US Congress is one of strong party discipline, which means that individual senators, MPs, or representatives are required to vote along party lines. Importantly, then, the relevant question to ask is not whether *politicians* have short term incentives, but rather whether *parties* have short term incentives. While it's true that parties care about short-term success, they also need to curate a long-term image of success, which means that there's an incentive to run these companies in a way that's sustainable into the long term

5—OPP will say that state-run financial institutions will be subject to politicization by power-hungry government officials:

1—This is unlikely to happen because government agencies are often limited by strict, legal, constitutive duties, like the responsibility of central banks to maximize employment and limit inflation

2—Government agencies can be sued for acting in unfair or abusively political ways, which deters politicians from politicizing these bodies for fear of being sued and having the resultant PR harms come out in the press

3—It's likely to be a horrible optical look for politicians to be seen as outright politicizing institutions that are expected to be run in a utility-maximizing, non-partisan manner. This therefore creates a deterrence effect since politicians fear being voted out of office

4—This is implausible because politicians know that once they establish a precedent of managing these firms in politically manipulative ways, the other side of the political spectrum will do so in the future when *they* come to power as retaliation with rhetorical justification on their side

All of this preemption takes down the most likely OPP material. Why, positively, are governments better at managing these firms than companies?

1—Companies are governed, first and foremost, by a profit incentive, which means they're likely to act almost exclusively in the pursuit of higher revenues. Comparatively, governments have incentives to be accountable to their electorate since they need to curry favor to stay in or win office. This is especially likely because most people view their economic situation as a top-priority voter issue because it's so proximate and significant to their daily life. Given this incentive shift, this has several productive benefits:

1—This means that financial institutions are, under our side, less likely to exploit consumers: they're less likely to charge prohibitively high insurance premiums or jack up interest rates on debt for no good reason, for instance. This is because private companies have incentives to extract every single penny out of consumers that they can, whereas governments recognize that's optically a horrible look and will get them voted out of office

2—Consumers are likely to be better informed under our side. Companies have incentives to mislead consumers since that's what makes them money (consider the dominant trend of predatory lending prior to the Great Recession, for instance), but comparatively, governments have legal duties to be open and transparent with prospective buyers and clients

3—Even when smaller-scale front-facing financial institutions like local mortgage lenders have benign interests due to their local community ties, the existence of larger, buy-side intermediate financial firms like investment banks or money market funds creates pernicious incentives for smaller-scale financial institutions to prey upon vulnerable consumers. For instance, when large hedge funds invest heavily in securitized housing assets, there's vertical pressure within the industry on local community banks to issue more mortgages, even in a way that's financially unhealthy. This sort of pressure from avaricious, large-scale financial firms disappears under our side due to the inbuilt accountability mechanisms of state-run firms

2—Governments have legal duties to be openly transparent: they can't shield or hide information from the public since they can be sued and since members of the general public can request governments to disclose information. Comparatively, companies can always hide behind the veil of "confidential information" and employ their armies of lawyers to avoid being held

publicly accountable. Moreover, there's likely to be far more scrutiny on the financial sector under our side since the controversiality of this measure will likely inspire substantial investigation into how governments are managing and running these firms. This transparency is good:

1—This gives greater information to regulators and legislators on how to implement legal safeguards in a way that protects the health of the economy; thus, regulation and fiscal policy become better-informed under our side

2—The widespread availability of information makes it easier for central banks to know, with a high degree of certainty, how massive financial institutions will respond to things like quantitative easing programs or higher interest rates. Thus, we get better monetary policy management in our world

3—This increases investor confidence within financial markets since there's more information about where companies have their money and how healthy capital markets are, which means that there's likely to be a net increase in liquidity within the financial sector under our side as investors feel more confident putting their money into the market

3—As we've already explained in preemption, governments have longer term incentives than companies, especially due to the long-term interests of political parties. Why is this beneficial?

1—This means that more capital is likely to be allocated towards longer-term endeavors under our side, like infrastructure or the development of green technology, which empowers longer-term growth

2—This increases the supply of loanable funds for longer-term investments, which brings interest rates on those loans down, which therefore incentivizes companies to pursue longer-term strategies and business plans

3—As financial markets shift towards corporate long-termism, they become more immune to recession since there's more money locked up in longer-term asset classes than in short-term securities that are more likely to witness things like temporary asset bubbles

4—When a single government nationalizes a large number of financial institutions, the state is able to access economies of scale in a way that makes financial services cheaper and more efficient. Moreover, the government can pool the best and brightest minds within the financial sector into the government-run financial sector, whereas under the status quo, they're split across many different firms rather than working in tandem. Importantly, this has an additional benefit of expanding access within impoverished communities to affordable lines of credit since now, the government, when not restricted by profit motives, can cross-subsidize losses in poorer areas with gains made in richer areas, which makes it easier for the poor to access things like mortgages or loans to start small businesses

There are two likely ways OPP will respond:

1—OPP will likely say that regulation is sufficient to solve the worst excesses of the private sector, so nationalization isn't needed. Here's why regulation doesn't work:

1—Penalizing systemically important financial institutions for violating regulations is paradoxically impossible: if you heavily penalize these companies, like by heavily fining them, you risk triggering mass economic harm, and if you lightly penalize these firms, there's no deterrent effect since they're so massive that even a multi-billion dollar fine means nothing to their bottom line

2—Large banks employ armies of top-notch lawyers to find loopholes in regulations, allowing these firms to bypass legal protocols restricting their behaviors

3—Large financial institutions can utilize their vast lobbying influence to gut would-be regulations and stuff them with loopholes. The Volcker Rule, which began as a three-page document yet ballooned to north of three-hundred after the extensive lobbying efforts of Wall Street, is case in point

4—Regulations are actively harmful because they regressively harm small financial firms with limited cash reserves the most, thus reducing the competitiveness of the banking industry and increasing the consolidation of major banks

5—Bank regulation functions as a revolving door: top government regulators are poached away by the private sector who can offer higher salaries and better benefits, allowing private firms to gain insight as to how to avoid regulation

6—Firms create new financial products, like credit default swaps or collateralized debt obligations, faster than bureaucratic regulators can legislate, which means there's always a lag between experimentation with new financial assets and the subsequent regulation of those assets

7—Regulation is structurally destined to fail, and is actively harmful, because financial institutions are simply driven towards shadow banking institutions like money market funds, hedge funds, and special investment vehicles. These institutions aren't covered by conventional legislation since they're non-depository institutions and aren't protected by organizations like the FDIC, but are independently worse for banks to become involved with since they're more opaque, harder to regulate, and generally riskier

2—OPP will possibly say that the better alternative is to simply break up systemically important financial institutions. If this is the counterfactual OPP wants to stand behind, it's horrible. Why?

1—This is likely to be ineffective because over time, the lobbying influence of large financial companies means they'll likely re-integrate, which is especially likely given that larger banks can claim to be sufficiently non-monopolistic and therefore harmless under the consumer welfare standard

2—Even if this is effective, this isn't likely to solve the structural problems within the financial sector: banks, large or small, are dominated by their overriding desire for profit, which incurs all the harms we've already explained

3—Even if smaller banks had good incentives, governments have structurally similar incentives to be responsive to the needs of local communities, but are better equipped to

provide services since nationalized financial companies, when operating at such a large scale, can access economies of scale that smaller firms simply cannot

4—Even in OPP’s absolute best case, where smaller banks were equally good-intentioned and capable of serving the needs of communities, government-run agencies are still better because they’re subject to greater and more centralized scrutiny and because they can coordinate responses in a way that’s valuable, especially in times of crisis

Independent of all of this incentives analysis, why else is the economy likely to be healthier under our side?

1—This incentivizes financial companies to downsize in order to avoid facing the prospect or even *potential* of nationalization. That’s good for a few reasons:

1—This increases the options available to consumers, whereas under their side, the economies of scale and cheaper availability of debt accessed by larger financial institutions drives smaller, local community banks and insurance companies out of business, thus increasing market consolidation

2—Smaller banks are actively good because they have local knowledge about the needs of specific communities, whereas systemically large institutions operate at a more global scale and lack this specific knowledge

2—This is likely to increase the affordability of sovereign debt. This is because state-run institutions are likely to be more risk-averse than private financial institutions, which means they’re more likely to invest into government-backed safe-assets like Treasury bonds. This is good because it makes it cheaper and easier for governments to access capital to fund things like social welfare programs

## **2—This makes financial crises far less likely and far less damaging**

1—Financial crises are less likely to happen under our side of the house for a variety of structural reasons:

1—State-run financial institutions are far more likely to be risk-averse than private banks, which means that the degree of systemic risk within the financial market will likely be far lower. This is because governments have incentives to do everything in their power to avoid dragging the economy into recession, because government technocrats often want to work in the private sector later on in their careers and don’t want their legacy in these institutions to be tainted by wide-scale financial collapse, and because governments lack the profit incentive that drives larger financial companies to adopt excessive amounts of risk. Structurally, why are private, systemically important financial institutions always going to be more inclined to take on excessive amounts of risk?

1—Systemically important institutions benefit from moral hazard: they anticipate bailouts in the event of a crisis, so they’re inclined to engage in excessively high-risk high-reward investments like investing into unproven financial assets or risky derivatives

2—Financial institutions tend to pay quite handsomely, which incentivizes a huge number of people to apply for jobs in the sector. The problem with this is that the people who naturally rise to the top are likely to be the most arrogant in their investing skills and abilities since that's the sort of cultural attitude that becomes self-reinforced through promotion by upper management and since prospective analysts and interns need to be ruthlessly trusting in themselves to out-compete other, more self-doubting and nervous candidates. The consequence of this is that the sort of culture that tends to emerge within large, financial institutions is a culture of overconfidence and arrogance, which means there's often limited internal checks on the health and safety of investments

3—Intuitively, large financial firms have massive profit incentives, which incents them to invest primarily into riskier classes of assets and securities

4—There's a negative and self-reinforcing race to the bottom in terms of risk: once one financial firm shows massive profits from a certain risky type of investing, like CDOs, other firms compete to find even higher-payout investments, driving companies to become excessively risky

Given that we get a less risky financial sector under our side, how does this help to reduce the likelihood of wide-scale economic collapse? When risky investments implode, large financial institutions suffer from a liquidity crisis as their access to capital dries up. This sends shockwaves through the market due to the contagion effect and the interconnectedness of the financial sector

2—Under our side, the fact that many different banks and insurance companies become run under the apparatus of the state means that it's easier for the government to cross-subsidize losses in a way that ensures the collapse of any one institution doesn't threaten the health and security of the financial system writ large

2—Even where financial crises exist, they're likely to be mitigated better and more quickly under our side:

1—When the government directly controls many different large financial institutions, we get a more unified and cohesive response to financial crises, whereas on their side, different institutions react in different ways

2—This uniquely allows governments to influence the economy through a third mechanism: at the moment, governments can adjust monetary policy, like interest rates or the money supply, and fiscal policy, like spending and taxes, but lack direct control over the financial sector. Under our side, this changes since governments have direct national control over these companies, giving governments yet another tool to respond to crises. This is also good for limiting overheating during periods of runaway inflation

3—Under our side, it's easier to justify expanding government stimulus programs since these institutions are seen as organs of the state, but on their side, there's limited will to do things like bail out large, private firms due to popular sentiment against "bailing out Wall Street." Thus, it's easier to rhetorically justify desperately-needed recovery packages to voters under our side

### *G-SIFIs are Good*

- G-SIBs are Safe:
  - **Liquidity Management:** Large banks can better pool deposits, allowing them to maximize liquidity without jeopardizing their financial health. Relatedly, larger banks tend to have larger capital buffers than smaller banks, so they can better absorb short-term shocks.
  - **Borrowing Costs:** Size equals safety, so large banks can borrow at low interest rates, even when financial markets are turbulent. Liquidity needs are hence coverable via borrowing.
  - **Diversification:** Relative to smaller firms, large banks are better able to diversify their assets since they have the capital (and market-relevant expertise) to spread investments out across different markets.
  - **Regulation:** Large banks are subject to greater regulatory oversight since they're more publicly scrutinized by regulators (e.g., stress tests).
  - **Knowledge:** Large banks possess greater institutional knowledge than smaller or narrowly-focused (e.g. market-specific) banks; as such, they are more aware of industry-specific risks (e.g. Herstatt risk in foreign exchange markets). Relatedly, large banks have the technical expertise to use derivatives markets (e.g. Treasury futures, oil options, credit default swaps) to hedge against their risk exposures.
  - **Solvency:** Lenders *anticipate* that banks on the brink of failure will subsequently receive bailouts, which incentivizes solvent banks to lend to large banks on the brink of insolvency.
- Moral Hazard is Wrong:
  - **Reputation:** G-SIBs need to maintain a good reputation to attract clients and establish themselves as credible financial authorities. They need to remain competitive, given the existence of other large financial institutions. They need to avoid major scandals and bankruptcy scares to keep regulators off their tail and reduce political pressure for onerous regulations. And they need to remain large enough to retain the reputational clout and economies of scale they currently enjoy.
  - **Competition:** G-SIBs, *even if oligopolistic*, still face competition from non-bank and non-depository financial institutions, like pension/hedge funds, money market mutual funds, ETFs, and special purpose vehicles.
    - **Intra-Institutional Competition:** (1) Banks are composed of many different departments, and individuals within those departments have strong incentives to avoid excessive risk-taking. (2) Bankers want promotion, especially given the prestige that comes from high-level positions in systemically important companies. (3) Bankers' compensation is often tied to their performance; excessive risk taking comes with a high

risk of failure, and hence isn't in most bankers' interests. (4) Many large banks operate as partnerships; hence, bankers share in the losses, reducing their interest in excessively risky positions.

- **Inter-Institutional Accountability:** Large banks trade amongst each other, incenting each to monitor other banks for signs of insolvency.

- **Regulation:** Since the GFC, regulators have confronted the moral hazard dilemma by imposing a slew of risk-reducing regulations on large banks. The Dodd-Frank Act and the Volcker Rule limit excessive profit-seeking by banks and reduce their ownership stakes in risky investment vehicles like hedge funds. The SEC and Federal Reserve frequently stress test large banks to ensure they are maintaining a healthy level of risk. The Sarbanes Oxley Act mandates banking transparency in accounting and information disclosure. Depression-era regulations and preventative remnants of the New Deal require banks to maintain healthy risk ratios. Basel III and BIS oversight mandate capital buffers.

- **Small Banks Fail:**

- **Regulation:** Regulating small banks is harder; it's easier for regulators to keep close tabs on a small number of closely-watched financial institutions. As such, forcibly breaking up banks reduces the effectiveness of regulation.
- **Leverage:** Smaller banks must rely on debt to finance new investments, since publicly issuing equity (stocks) is too expensive given the high regulatory and issuing costs involved; conversely, larger banks can afford to issue equity. Equity-based financing is less susceptible to crisis, since dividend payments can be temporarily delayed, while debt obligations are harder to renegotiate. As such, smaller banks are more likely to enter bankruptcy proceedings.
- **Maturity Mismatch:** Smaller banks face maturity mismatches: they rely on short-term liabilities (e.g. deposit certificates, demand deposits) but profit from long-term assets (e.g. thirty-year mortgages, fixed-maturity loans). Temporary fluctuations in short-term interest rates can create a liquidity crisis as (small) banks struggle to meet withdrawals, given that capital is locked up in long term investments. Large banks reduce this liquidity risk: they can borrow more immediately from interbank lending markets and have marketable/transferable securities to collateralize in repurchase ("repo") agreements, both of which can be used to meet temporary liquidity needs.

- **SIFIs are Efficient:**

- **Economies of Scale:** Large banks pool deposits, reduce their required deposit reserves, net financial transactions, and exploit reputational economies of scale. As such, larger banks offer cheaper services (e.g., lower fees). They make trading less expensive, less costly, and more rapid; in turn, markets are made more liquid and price-efficient.

- **Financial Innovation:** Large firms are the most innovative since they have the greatest ability to invest in financial engineering and the greatest expertise to develop novel financial techniques. This has trickle-down benefits:
  - Financial innovations enhance access to financial services (e.g., synthetic real estate derivatives) for people who otherwise cannot invest (e.g., open-end mutual funds offering investing opportunities to low-income employees without employer-provided pensions).
  - Financial innovation reduces market inefficiencies and therefore ensures capital is allocated to where it is most needed; for instance, the high-frequency trading algorithms developed by securities firms reduce index arbitrage, ensuring that stock exchanges remain uniformly priced.
- **Risk is Good:**
  - (1) Risk reflects uncertainties in future demand; often, industries with unknown future demand (e.g. biomedical technologies, green energy production, etc) offer tremendous positive externalities.
  - (2) Smaller firms (e.g. SMEs) are riskier due to their nonexistent credit histories and unproven business models—and low-income consumers, similarly, are deemed risky borrowers by all banks. Risk taking increases the availability of credit for these groups.
  - (3) Increasing trade volume for risky assets enhances price discovery, ensuring that prices (more) efficiently reflect credit risks; absent investment from speculative banks, prices are poorer reflections of risk—exposing *non-speculative* traders to unforeseen risk.
- **Signal:** The act of breaking up banks sends a concerning signal to markets, prompting creditors to flee and depositors to run on their banks.

### *Bailouts*

**Bailouts are Good:** In times of financial or economic distress, bailouts stave off corporate bankruptcies (particularly those of systemically-important institutions, whose collapse could tank the entire economic system), stabilize financial markets by signaling that the government is willing, prepared, and able to take bold steps, and reduce the “contagion” effect (whereby one firm’s failure ripples throughout the industry and takes others down concurrently). Moral hazard concerns are legitimate, but governments can (and often do) conditionalize bailouts on internal reforms (like firing the current executive board) to soften the political blowback that follows unpopular bailouts.

**Bailouts are Bad:** Bailouts induce a moral hazard crisis wherein large firms anticipate bailouts and subsequently take on too much risk, expecting taxpayers to foot the bill should their bets take a turn for the worse. Furthermore, bailouts unjustly shift resources from regular taxpayers to wealthy corporations, which are (more often than not) the culprit of their own demise. And

bailouts are politically controversial—often triggering populist backlash and antagonizing political discourse, especially in the lead-up to elections.

### Bailout Examples:

- **HOLC:** During the Great Depression, many homeowners struggled to pay back their mortgages as unemployment rose and incomes fell. The government bailed out struggling homeowners by creating the Home Owners' Loan Corporation (HOLC) which issued bonds and used the revenues from those bonds to buy homeowners' mortgage loans from banks and then refinance the loans for consumers at lower interest rates.
- **New Deal:** The New Deal was FDR's response to the Great Depression, implemented between 1933 and 1939. The New Deal generated economic growth by increasing employment opportunities as unemployment spiraled out of control, which was at 25% when FDR first came into office. The New Deal had 3 "R" aims: (1) relief for the poor/unemployed, (2) recovering economic growth, and (3) reform of the financial system to stop future crises. The New Deal combined legislative acts of Congress and executive orders from FDR. The New Deal included public work projects to stimulate economic growth in a Keynesian manner, e.g., the Civilian Conservation Corps (which employed manual labor to conserve important ecological areas across the US), the Civil Works Administration (which contracted people in the construction/building industry), the Farm Security Administration (which took tens of thousands of photographs depicting the lives of poor rural farmers and bought out submarginal, i.e., poor quality, farming land and relocated farmers to collectivized group farms on more fertile soil), the 1933 National Industrial Recovery Act (which imposed controls on prices and wages to keep them at fair/reasonable levels) and the first-ever US Social Security program.
- **RFC:** The Reconstruction Finance Corporation was established under the Hoover administration in 1932. The RFC provided financial support to state/local governments as well as to banks in order to prop up the financial system. Problematically, the agency was run as a government corporation and was subject to significant political influence. For instance, Charles Dawes, a Republican who had formerly served as Vice President, was the first-appointed head of the agency, yet when he left in June 1932 to return to work at the bank he owned, his bank was given a \$90 million loan from the RFC. Subsequently, the new head of the RFC—also a Republican—awarded his Cleveland-based bank a \$12.3 million loan; under his command, the RFC approved loans of \$14 million, \$7.4 million, and \$13 million for banks run by the RNC's Treasurer, a Republican Senator from Maryland, and the (Republican) Secretary of Commerce, respectively.
- **TARP (Toxic Asset Relief Program):** Congress gave the Treasury Department up to \$700 billion to bail out Wall Street banks/financial institutions. The US Treasury bought or insured toxic assets (e.g., collateralized debt obligations and mortgage backed securities which had imploded during the housing crisis) from struggling banks.

## **Free Trade**

### **Pro Free Trade:**

- State intervention in markets distorts resource allocation, incentivizes rent-seeking behavior (e.g., companies lobby for access to state protection rather than invest productively), and reduces competitive pressures to innovate (e.g., highly inefficient firms remain afloat due to government support).
  - Even when protections aid nascent industries, recipients of state protection grow dependent on that protection (and pressure governments to continue providing protection) such that “infant industries” never grow up.
- Governments are notoriously terrible at picking the right “winners” in markets: corruption allows well-connected firms to abuse access to state privileges, short-term electoral politics incentivize protections for popular but unproductive industries, and the innate difficulty of correctly predicting future trends in an ever-changing global economy leads even the best-intentioned barriers to trade astray. Recessions often produce the broad-scale economic impetus to kill free trade (e.g., the Great Depression and the Smoot-Hawley Tariff Act); such barriers export unemployment by choking off imports.
- Free trade policies beget economic specialization (and hence increase efficiency in production and allocation), reduce conflict by integrating supply chains, lower the prices of goods and services, avoid the tit-for-tat retaliatory trade wars which accompany protectionism, and ultimately, widen the economic pie for everyone. Reduced prices increase disposable income and drive demand for domestic goods.
- Liberalization reduces conflict: (1) Commercial interdependence creates strong incentives to avoid conflict (e.g., bombing supply chains, murdering customers). (2) Sanctions have more bite in a liberalized economy. (3) Trade enables peaceful access to resources; colonialism is unnecessary. (4) Prosperity reduces conflict and trade increases prosperity. (5) Free trade limits the power of domestic constituencies that benefit from conflict or war.
- Protectionism hurts infant industries. (1) Production costs go up in other infant industries which lack protection. Why? Inefficient protectionism arises because concentrated interests (e.g., domestic steel industry) demand protections even at the expense of diffuse masses (e.g., domestic manufacturing industries requiring steel as an input); hence, *inputs become more expensive* (e.g., steel prices). Higher input prices stifle nascent industries. (2) Retaliatory tariffs hurt infant industries; domestic markets are too illiquid/poor to sustain long-term growth. (3) Rent-seeking means infant industries never grow up. Moreover, protectionism incentivizes domestic firms to copy foreign companies but sell at higher prices (e.g., Brazilian computer firms Itautec and SID, protected by Brazilian import quotas in the ‘80s, largely copied Apple’s designs). (4) Infant industry protection isn’t necessary in industries where economies of scale are limited; small firms actually benefit from organizational mobility (e.g., capacity to respond rapidly to changing market conditions), ability to exploit niches in markets, and avoidance of diseconomies of scale.

- (5) The industries most likely to push for protection are industries which either (i) have no existing profitability and claim liberalization explains their failure, or (ii) are organically growing and do not need protection. (6) Exposure to global best practice induces better performance via access to technology, access to capital, and competitive pressures. The investments in capital and technology necessary for competitiveness are more likely with engagement in global product markets, especially the global production networks of multinationals.
- Governments should not restrict how we spend the fruits of our labor nor whether people should be able to participate in mutually beneficial exchanges.

### **Pro Protectionism:**

- Further liberalization is unnecessary. (1) The GATT (General Agreement on Tariffs and Trade) reduced average tariffs by 40%; the Geneva, Dillon, Kennedy, Tokyo, and Uruguay round talks made further progress. Relatedly, the US and its neoliberal global order (e.g., the IMF, WTO, and World Bank) spent decades post-WWII liberalizing trade and capital markets. (2) Developing countries have largely been on board since the failure of the Soviet command structure and the decommunization/privatization waves of the 1990s. (3) Where tariffs remain, they are *ad valorem* tariffs (i.e., tariff penalties are paid as percentages rather than fixed penalties) and therefore do not greatly change the composition of international trade. (4) The proliferation of FTAs means that (almost) every country in the world accesses the benefits of tariff-free/reduced-tariff trade.
  - Empirically, this is true. Trade-weighted average import tariff rates are 1.5% in all EU states, 0.7% in Australia, 2.0% in the US, 1.3% in the UK, 2.5% in China, and 2.2% in Japan; in the developing world, average tariff rates are 1.8% in Belarus, 0.8% in Botswana, 0.4% in Chile, 3.6% in Malaysia, 1.8% in Myanmar, and 1.2% in Mexico.
  - Thus, liberalization is now about non-tariff barriers to trade, including health and safety standards (e.g., beef growth hormones, child labor regulations), environmental standards (e.g., US tuna fishing standards), cultural norms (e.g., French film against Hollywood), investment restrictions (e.g., Chinese technology-sharing requirements), and customs procedures (e.g., Japanese car processing in France).
  - The shift from tariff barriers to non-tariff barriers poses three challenges: (1) NTBs are substantially harder to negotiate around because they aren't quantitatively comparable. Horse-trading isn't so easy when negotiating. (2) NTBs are difficult to disentangle from legitimate government activities and are deeply embedded within domestic political and economic structures. (3) Further globalization's blowback exceeds further globalization's gains. (4) Liberalization assaults democratic rights (e.g., worker safety protections, subjective preferences on GMOs, regulatory climate).

- Liberalization stunts economic development: infant industries need time and protection (namely, tariffs and subsidies) to develop, regional trade blocs require barriers on externally-produced goods to encourage intra-regional trading, and impoverished governments (which lack a robust tax base) often rely on tariff revenues to finance state expenditures.
- Markets are deeply imperfect, allocating resources and capital in accordance with profit-maximization without regard for important social and political considerations; state intervention in markets can correct for these externalities.
  - In particular, national security is undermined through liberalization (e.g., CHIPS Act and the IRA in the US).
- Trade is only beneficial if redistribution ensures that the winner's gains (e.g., the financial industry's increased profits) offset the loser's pains (e.g., the automotive manufacturing industry's collapse). That happens rarely.
  - First, *information problems*: governments cannot easily identify whose earnings would have been higher in the absence of liberalization; the process of de-industrialization is gradual, not immediately obvious.
  - Second, *deadweight problems*: decades of liberalization mean that further liberalization can only offer a marginal economic benefit (e.g., price reductions) even as inequality rises sharply (e.g., factories shut down). Since compensation is costly and distortionary, governments fear taxing and redistributing winner's gains, since that would "aggregate gains from trade liberalization-cum-compensation much smaller, and could even turn those gains into losses," per Rodrik.
  - Third, *political problems*: wealth equates to political power (e.g., lobbying, campaign finance, social prestige) so the "winning industries" gain outsized political influence to push heavily for further deregulation and liberalization while gutting welfare systems.
  - Fourth, *temporal problems*: at-risk workers lose their "veto power" after falling into a state of economic decline.
- Removing protectionist measures frequently causes mass political upheaval; the resulting backlash often brings demagogic populists to power (perceptions of unfairness and erosion of hard-fought domestic labor rights incite right-wing retaliation), frightens foreign investors away, and destabilizes political institutions.

## Inflation

*Inflation is Bad*

- Inflation hurts the poor (since wages are sticky) by increasing the cost of food, electricity, and housing. When inflation forces CBs to raise interest rates, the resulting economic contraction hurts low-income workers the most since (i) debt becomes more expensive

and (ii) credit crunches increase unemployment by restricting employers' access to financing.

- Inflation undermines growth: when prices go up, resource inputs for production become more expensive, putting strain on SMEs' balance sheets. Further, inflation complicates long-term planning and hence incentivizes conservative investing.
- Inflation undermines financial stability by reducing the incentive to save (since current purchasing power is greater than future purchasing power).
- Inflation destabilizes political institutions by inciting popular unrest and giving credence to demagogic populists. In particular, hyperinflation begets resource hoarding because consumers fear further price hikes.

### *Inflation is Good*

- Moderate levels of inflation encourage spending because money will be worth less in the future than it's worth today.
- Inflation indicates positive consumer confidence and hence encourages investors to lend and invest, spurring growth.
- Inflation is self-correcting, both because higher prices force demand down and because central banks intervene to correct hyperinflation.

## **Labor Rights**

### *Wages*

Higher Wages: (1) Increased disposable income increases people's autonomy; money equals choice in capitalist economies. (2) Higher wages boost demand for goods and services, driving business growth. (3) High wages reduce the burden on state welfare programs. (4) Workers are more productive when compensated properly.

Lower Wages: (1) SMEs are more competitive when labor costs are limited. (2) Low wages reduce production costs, thereby reducing prices, which is particularly important for helping the unemployed. (3) Reduced wages increase aggregate employment by reducing employers' per-employee labor costs. (4) Companies save from lower labor costs, improving long-term growth prospects (e.g., money is funneled into R&D due to shareholder pressures).

### *Unions*

Unions are Good: Collective bargaining empowers workers to fight for higher wages and better working conditions—and gives them the strength-in-numbers (and threats of strikes) to do so; unions also cultivate a sense of solidarity amongst workers, a crucial precondition for effective labor advocacy. Unions also act as powerful *political* blocs by endorsing favorable politicians, donating and voting in cohesion, and advocating on behalf of pro-labor candidates for office. Even when unions struggle to affect change through conventional protests, boycotts, or strikes, they can still rally attention towards labor abuses—and unions complement progressive labor

laws by helping to report abuses of labor codes to government regulators and assisting policy-makers in strengthening pro-worker legislation.

**Unions are Bad:** Unions struggle to affect change: declining membership rates, union-busting by governments (e.g., the Reagan administration) and companies (e.g., Starbucks and Amazon), anti-union propaganda distributed by employers in the workplace, and the rise of the gig economy have sapped unions' ranks; the rising age of automation and outsourcing further sours the outlook for organized labor, affording avaricious employers a powerful array of tools to crush union protests. Moreover, union leaders/representatives might accept bribes from wealthy corporations, embezzle union funds for selfish purposes, or be co-opted with sweetheart deals by employers. Even when unions enjoy honest leadership, many workers are still hesitant to join due to ideology (e.g., right-wing opposition to unionization), game theoretic incentives (e.g., forking over hefty union dues in exchange for uncertain benefits), or identity-based reasons (e.g., unions have historically discriminated against women and racial minorities).

## **Sanctions**

### **Modeling Sanctions:**

- Sanctions will be imposed by a multilateral coalition, led by regional powers; secondary sanctions will be imposed on non-coalition economies which violate the sanctions regime.
- The coalition will establish clear conditions which must be met for sanctions to be removed; as those terms are gradually met, sanctions will gradually ratchet down.
- Types:
  - Targeted sanctions localize sanctions against political elites, business tycoons, wealthy oligarchs, military top-brass, and high-level terrorist operatives through freezing assets, prohibiting travel, restricting exports of luxury goods, and clamping down on trade with elite-driven industries/SOEs.
  - Economic sanctions limit trade through embargoes, trade barriers, and restrictions on financial transactions.
  - Financial sanctions prohibit sanctioned parties from accessing financial infrastructure, buying and selling financial securities, and routing funds through the international financial system.
    - Banks cut from the SWIFT system struggle to settle cross-border payments/transactions.
    - Greenback sanctions prohibit countries from transacting through US dollars.

### *Against Sanctions*

- Sanctions are Too Weak: (1) Sanctions lose their bite over time as countries develop sanction resilience (e.g., trading with alternative partners, depositing in different banks). (2) Rogue actors anticipate sanctions and preemptively sanction-proof their economies.

(3) Sanctions regimes are undercut: sanctioning nations have game-theoretic incentives to covertly cheat (and escape accountability, given how complex international trade is). (4) Sanctioning governments are constrained by domestic political pressures to avoid mutually destructive sanctions regimes; watered-down sanctions lack bite. (5) Sanctions fatigue sets in over time as domestic constituencies grow restless.

- Sanctioned Parties Won't Capitulate: (1) Countries oppose compliance for fear of establishing a precedential receptiveness to sanctions and hence incurring further sanctions in the future. (2) Anti-imperial/anti-Western leaders do not want to appear weak by giving in to the West. (3) Given the frequency of sanctions fatigue and party turnover, leaders believe they can outlast sanctions regimes.
- Sanctions Worsen Violence/Oppression: (1) Sanctions hurt the innocent more than they hurt the guilty (e.g., economic sanctions deprive subsistence farmers of income). (2) Leaders gain political power by framing sanctions as biddings of Western colonialist powers and castigating protesters as pro-Western sympathizers. (3) Governments offload blame for poor economic conditions on sanctions. (4) States turn elsewhere, typically to worse actors. (5) In the long run, sanctions preclude the development of a vibrant middle class which would push for liberalization. (6) Sanctions vindicate paranoid leaders' worries and intensify repression. (7) Imposing sanctions reduces countries' credibility to act as intermediaries/mediators during negotiations. (8) Sanctions increase statism by expanding SOEs' market shares and entrenching influential oligarchs' market power.
- Sanctions Hurt Innocents: (1) Sanctions slow inflows of humanitarian aid by (i) greatly lengthening the bureaucratic and regulatory checks for materials to cross borders and (ii) deterring aid groups from providing aid which may later be deemed illegal and spark litigation. (2) Sanctioning countries face economic harms. (3) Retaliatory sanctions hurt innocent third-parties.

#### Examples of Failed Sanctions

- **Cuba**: Six decades of US' unilateral embargo of Cuba since 1962 have failed. Single-party communist authoritarianism still reigns supreme in Havana. Sanctions have stunted growth by an estimated \$114B since the '60s. Poverty is widespread. Aid organizations fear being slapped by hefty fines for entering the country.
- **North Korea**: UNSC-authorized multilateral sanctions on North Korea began in 2006 after Pyongyang's nuclear weapons test; since then, sanctions have expanded to target North Korea's access to weapons, luxury goods, remittance inflows, and mineral resources. But the veto power of China and Russia on the UNSC ensures these sanctions are ridden with loopholes. Black market smuggling allows North Korea to illegally import oil and steel. Sanctions have failed: the Kim family remains in power, Pyongyang now possesses ICBMs, and weapons tests have only accelerated.
- **Haiti**: Jean-Bertrand Aristide was democratically elected in a landslide victory in 1990 but ousted in a 1991 coup. The Organization of American States (OAS) imposed a

comprehensive trade embargo against Haiti, and the UN eventually followed suit by 1993. These sanctions failed to invoke regime change. An estimated 14,000 people were immediately put out of work. The fuel embargo resulted in mass power outages, which crippled the country's medical system and killed thousands.

- **Yugoslavia:** The European Economic Community and the United Nations sanctioned Milosevic's Serbia after its war crimes in Croatia and Bosnia. Military intervention was required to end the conflict and genocide continued, yet the sanctions led to mass food and medicine shortages in civilian areas.
- **Iraq:** Following Saddam Hussein's 1990 invasion of Kuwait, the UNSC passed Resolution 661, which banned international trade with and investment into Iraq. Sanctions were partially relaxed in 1991, but remained largely in place until the 2003 US invasion of Iraq. Sanctions failed to oust Hussein from power but caused the child mortality rate in Iraq to double, crippled the Iraqi healthcare system, and induced a famine so bad that nearly one-third of Iraq's population was categorized as malnourished. The sanctions had such a devastating humanitarian effect on Iraq that two high-level UN officials responsible for overseeing the enforcement of sanctions resigned in protest, with one noting he didn't "want to administer a program that satisfies the definition of genocide."
- **Rhodesia:** White-majority Rhodesia declared independence during a wave of continental decolonization in the '60s. The international community responded with a bevy of sanctions, which the regime refused to listen to. Instead, the sanctions contributed to the fifteen-year-long Rhodesian Bush War which killed twenty-thousand.
- **Angola:** Between 1975 and 2002, the National Union for the Total Independence of Angola, or UNITA, fought in the brutal Angolan Civil War. In 1998, the UN imposed sanctions on the group in response to escalating violence; however, this failed, as UNITA's response was to increase its production of blood diamonds, and profits from the diamond trade actually increased by most estimates.

#### *For Sanctions*

- **Sanctions Work:** (1) Sanctions generate leverage which sanctioning countries can use as a bargaining chip during negotiations. (2) Targeted sanctions incentivize self-interested power-hungry elites to capitulate by freezing their assets and pounding their industries (e.g., resource extraction) with economic coercion. (3) Economic coercion risks widespread uproar and undermines governmental legitimacy amongst the public. (4) Private firms suffer from sanctions (as evasion is costly and legally risky); businesses have incentives to sue for peace. (5) Sanctions fracture elite institutions; once a single elite defects, others follow suit in a cascade. (6) Sanctions invigorate protest movements.
- **Sanctions are Good:** (1) Impunity is harmful; signals matter. (2) Sanctions incapacitate evil regimes by blocking their access to weapons and undermining their access to financing. (3) Sanctions indicate the immorality of despotic regimes.

- Sanctions are Preferable to Alternatives:

- Military Action: (1) Collateral damage is more guaranteed and more lethal. (2) Interventions may displace regimes but cannot build healthy states, creating power vacuums and giving rise to terrorism. (3) Political capital is seldom present for military action; conflict fatigue causes rapid withdrawals.
- Diplomacy: Diplomacy requires carrots and sticks; without sanctions, diplomats bring no stick to the table. Further, diplomacy is too weak: hostile states make decisions through a calculus of blood and pain. Impunity is damaging and emboldens future violations of international law.

#### Examples of Successful Sanctions

- **Malawi**: In 1991, Malawi's authoritarian, one-party government opened fire upon student-led protests advocating for democratization. A US-led coalition blocked foreign aid shipments to Malawi, sharply reducing the country's economic output by nearly 7%. Subsequently, the government announced a new constitution, which paved the way for multi-party elections and universal suffrage.
- **South Africa**: Grassroots activist movements pushed for companies, academics, governments, and other institutions to divest from the apartheid regime in South Africa. This, combined with sanctions from Western governments in the aftermath of the Cold War, led to considerable capital flight from South Africa (i.e., the South African rand fell by ~15% per year), putting pressure on the government to negotiate with the ANC by the early '90s.
- **Rwanda**: In 2013, an EU-led coalition imposed financial and military sanctions against Rwanda due to the country's extensive funding of violent rebel groups, like M23, in unstable regions like the Democratic Republic of the Congo. In response, Rwanda ceased most of its support for M23.
- **Guatemala**: In 1993, President Jorge Serrano Elías of Guatemala attempted an *autogolpe*, or "self-coup," in which he suspended the Constitution, dissolved the Congress of Guatemala, and disbanded the country's Supreme Court. The Organization of American States (OAS) immediately condemned the coup and threatened a near-total embargo; within two weeks, the international pressure on Guatemala's new dictatorship forced President Serrano to flee the country and resign as President, paving the way for an outspoken human rights advocate to become Guatemala's next President.

#### Leadership Decapitation

##### *Against Decapitation*

- Decapitation fails empirically.

- When al-Qaeda's leading operative Abu Musab al-Zarqawi was killed by the US in 2006, George Bush proclaimed the strike a "death blow" to al-Qaeda; not even

a year later, al-Qaeda bombed the Al-Askari Shrine, setting off the three bloodiest years of sectarian violence Iraq has ever seen.

- When the Israeli Defense Forces assassinated Ahmed Yassin, the founder of Hamas, in 2004, terrorist violence only intensified—Yassin’s successor, Abdel Aziz al-Rantisi, ordered the lethal Beersheba bus bombings, capitalized upon a surge in public support for Hamas within the Gaza Strip and West Bank, and strengthened ties with Jordan, Lebanon, and Kuwait.
- Leadership decapitation cannot be “done strategically.”
  - Leaders are vilified in the media and demonized by politicians, even when doing so isn’t strategic; politicians and military generals face intense political pressure to kill enemy leaders. Consider Obama and bin Laden.
    - Militaries use controversial methods when fighting terrorists: they suspend rights like habeas corpus, invade personal privacy, and override judicial protections for criminal defendants; knowing these measures are controversial, militaries use decapitation to boost support for their cause (since leaders are high-profile and their deaths beget significant coverage), even when decapitation isn’t strategic.
  - Terrorist leaders move frequently, use safe houses, communicate only through trusted couriers, and purge suspected confidants from the top-brass ranks of terrorist groups; as such, it’s near-impossible to get high-quality intelligence about leaders, the nature of their involvement with terrorist organizations, and their current locations; hence, even if militaries wanted to use decapitation selectively, they’re shooting blindly.
  - The push to kill leaders comes in the aftermath of grave terrorist attacks (e.g., 9/11 in the US, the Mogadishu bombings in Somalia, the Beslan school siege in Russia). In the aftermath of these attacks, counterterrorist agencies are gripped by fear: they must look like they’re “doing something” to prevent the “next imminent attack.” This fear-warped environment precludes militaries from assassinating leaders only in smart cases.
    - Additionally, different military agencies—like the NSA, FBI, and CIA in the US military—fear looking “less successful” than other agencies, which they believe may be pursuing the goal of leadership decapitation.
  - Decapitation has become the dominant cornerstone of counterterrorism; generals, taught this strategy in military academies, falsely assume this is just “the right thing to do.”
  - Militaries often lack the time to figure out if leadership decapitation will do more good than harm. Leaders move frequently, so when militaries get credible intelligence about where they’re currently located, generals know that they’re on the clock—strike now, or miss your opportunity. Hence, militaries lack the time to properly weigh up the costs and benefits.

- International counterterrorism agencies like Interpol offer multi-million-dollar bounties for eliminating terrorist heads, which incentivizes cash-starved low-ranking military officials to plot decapitation operations even if doing so isn't strategic
- Decapitation is highly ineffective.
  - Terrorist leaders know they're targeted for assassination, so they establish replacement mechanisms which limit the impact of successful leadership decapitation. When bin Laden was killed by SEAL Team 6 in 2011, Ayman al-Zawahiri quickly assumed the role as al-Qaeda's next leader. When Abdullah Öcalan, a founding member of the PKK, was apprehended by Turkish forces in 1999, the impact was short-lived, as Ali Haydar Kaytan soon became the group's new figurehead.
  - What type of terrorist is most susceptible to decapitation? Nascent terrorist organizations lack the built-up institutions (e.g., propaganda agencies, patronage networks, and control over resource extraction facilities) needed to survive the fall of their leaders, and hence, are the most damaged by decapitation. But paradoxically, these groups are the least common targets of leadership decapitation. But since decapitation is often condemned as a violation of international law, militaries are reluctant to assassinate leaders of emerging terrorist groups, even though those are the cases where decapitation would be most effective.
  - Most terrorist groups are driven by ideology—like fundamentalist Salafi jihadism in the case of ISIS, irredentist Basque nationalism in the case of the ETA, Irish Republicanism in the case of the IRA, or militant Marxist-Leninism in the case of the Shining Path—which means that removing a group's leader does little to affect the group's grievance-driven bloodlust.
  - At best, decapitation works by eliminating charismatic leaders who help terrorist organizations recruit and resolve inter-member ideological disputes. This defense doesn't hold up: terrorist organizations routinize charisma by training future operatives, and successive leaders often emphasize their close links to their fallen, charismatic predecessors. Further, over time, terrorists institutionalize charisma through manifestos, slogans, and symbols of unity like flags and rallying cries.
  - Militaries often misjudge leaders' current location; consequently, attempted decapitation strikes kill the wrong people, triggering retaliation while achieving no strategic gain.
    - Decapitation also incurs a tremendous opportunity cost: military agencies spend years funding exhaustive manhunts, but often come up empty-handed; for instance, Carlos the Jackal, the most infamous terrorist of the '70s, evaded capture for nearly two decades, and it took Italian

counterterrorist units forty-three years to track down Bernardo Provenzano, a leading mafia boss.

- Decapitation worsens terrorism.
  - Even if decapitation succeeds in weakening a terrorist organization, the outcomes are worse: Weaker groups lack the strategic or military ability to hit “hard targets” like military bases, and instead seek out “soft targets” like shopping malls or schools. Counterintuitively, the strongest terrorist groups often cause the least harm to civilians because they have long-term socio-political aspirations (e.g., separatism or political devolution) and recognize that needless civilian casualties are counterproductive.
    - When decapitation is carried out by foreign militaries, domestic militaries anticipate backlash from terrorists, and fortify preemptively. This effect strengthens terrorists’ incentive to attack civilians; for instance, when CIA airstrikes killed Baitullah Mehsud, the former leader of the Pakistani Taliban, the Pakistani military doubled patrols around military outposts. Consequently, the TTP shifted its strategy towards the indiscriminate killing of civilians since the risk of directly attacking the military became too high.
  - Leaders become martyrs: criminals on the ground venerate their image and revere their legacy. Groups spin this narrative to increase recruitment.
  - Post-decapitation, organizations split into many different cells. Splinter groups, in the absence of a unifying leader, engage in turf wars and fight for influence. Individual sects vie for financing and membership by proving that they’re more violent and radical than any other group.
    - In the process of splintering, different leaders vye for power: new/up-and-coming leaders lack the cult-of-personality of their predecessor, so they must “prove themselves” through harrowing displays of violence.
  - Negotiation is harder with many different, fragmented terrorist cells than with a single leader that is willing to make concessions (and justify those concessions) on behalf of the organization; it’s also harder to negotiate in the first place when organizations deliberately work to conceal their internal leadership hierarchy.
- Decapitation is unjust: Targeted assassinations may be against international law, given that they function as extrajudicial killings.

#### *For Decapitation*

- Governments use assassination as a “tool in the toolbox,” and military generals—who have incentives to see conflicts come to an end—can ensure that decapitation is used selectively and strategically.

- Governments pair threats of assassination with carrots to negotiate; collectively, that creates the conditions needed for long-term socio-political peace.
- Criminal enterprises are led by uniquely charismatic, talented, or skilled individuals—and in those cases, killing even a few high-level officials within the organization can be crucial in turning the tide of conflict.
  - Killing these leaders shatters their façade as “all-powerful” and makes it harder for broad, ideologically diverse organizations to remain united; smaller groups are better because they can’t access economies of scale and because they’re easier to stop, given their limited membership.
- Killing HVTs (high-value targets) can “scare” leadership into coming to the negotiation table (since they, themselves, have a credible fear of being assassinated) and can also encourage lower-level criminals (like illicit drug peddlers or gang henchmen) to defect.
- The likely alternatives, like outright intervention or indiscriminate drone strikes, are far more likely to endanger civilian lives.

### *Decapitation Examples*

- War on Terror
  - **Abu Musab al-Zarqawi:** A Jordanian jihadist who later relocated to Iraq and played a pivotal role in fomenting the sectarian and ethnic tensions that led to the Iraqi Civil War, was assassinated in 2006 by a US targeted killing.
  - **Osama bin Laden:** The founder and leader of al-Qaeda was killed in 2011 in Operation Neptune Spear, in which SEAL Team 6 raided bin Laden’s compound in Pakistan and killed him.
  - **Ahmed Abdi Godane:** The Emir, or leader, of the Somalia-based Al-Shabaab terrorist group, was killed by a US drone strike in 2014.
  - **Abu Bakr al-Baghdadi:** In 2019, the US launched a military operation to kill the self-proclaimed leader of ISIS; before American forces could kill him, he committed suicide
  - **Qasem Soleimani:** A commander of a clandestine branch of Iran’s Islamic Revolutionary Guard Corps, Soleimani was assassinated by US airstrikes in early 2020; Iran responded by launching retaliatory strikes against American military bases in the region
    - The US military’s use of drone strikes has drawn significant criticism: for instance, according to contemporary estimates, around *nine children* are killed for every adult the US attempts to assassinate. Moreover, scholars estimate that only ~8% of the victims of American targeted killing campaigns are high-level organizers/leaders, with the vast majority being foot soldiers
    - The first major instance of a US targeted killing came during WWII, when the US killed Isoroku Yamamoto, a Japanese general who had organized

and oversee the Pearl Harbor attacks. The US subsequently adopted a relative opposition to targeted killings between the late 1970s and 2001, although the US subcontracted many death squads in Latin America to carry out targeted executions of political enemies.

- IDF “focused foiling”
  - Israel (specifically, the Mossad) has carried out dozens of targeted strikes against Hezbollah and Hamas leaders. For instance, in 2012, Israel killed Ahmed Jabari, the second-in-command of Hamas’ militant wing, and killed Ahmed Yassin and Abdel Aziz al-Rantisi, the two co-founders of Hamas, in 2004.
  - Mossad has also been credibly linked to the assassination of at least four Iranian nuclear scientists.
- Authoritarian uses of targeted killings
  - North Korea openly poisoned exiled reformist Kim Jong-nam, the brother of Kim Jong-un and reported CIA asset, with a deadly nerve agent in a Malaysian airport in 2017.
  - Russia under Vladimir Putin has made extensive use of state-sponsored assassinations to crack down on opposition. For instance, in 2006, Russia’s security agency, the FSB, poisoned Alexander Litvinenko, who was openly critical of Putin’s “mafia state.” That same year, Russia also killed Anna Politkovskaya, a journalist and human rights activist who, despite receiving numerous death threats, had made a career out of publicizing the abuses of the Putin regime in Moscow. Russia has also cracked down on political dissidents, such as by killing Boris Nemstov, who published extensive evidence of Putin’s corrupt brand of authoritarianism, in 2015 and by poisoning Alexei Navalny, another famous Putin critic, in 2020. Since the outbreak of the war in Ukraine, over one-dozen Russian oligarchs have been found dead under mysterious circumstances.

## **Military Invasions**

### *Defending Invasions*

- Exclusivity: Invasions are often the only way to accomplish change: sanctions frequently fail since countries find ways to evade sanctions or sanction-proof their economies against sanctions. Diplomacy is often a non-starter for governments that can’t afford to look weak. Given this, invasion is often the best—and possibly only—solution for major, protracted global crises.
- Invasions are likely to work
  - Invading countries often face intense domestic scrutiny to ensure the success of foreign interventions; it’s political suicide for politicians to greenlight a failed invasion.

- When interventions are supported by superior Western military technology and technical expertise/advising, they often can out-maneuver and over-power the military forces of the opposition.
- Tactics like shock-and-awe can be effective at demoralizing foot soldiers on the opposing side and scaring military leaders into defecting; this is particularly effective when coupled with promises of post-conflict amnesty.
- Invasions accelerate internal fracturing within the highest levels of military leadership.
- Countries—particularly those neighboring the conflict region—have incentives to bring about a speedy end to violence, because the longer violence carries on for, the higher the risk of a refugee crisis becomes.
- Mitigation: The worst harms of invasions aren't likely to manifest: the increasing accuracy of military technology allows militaries to target strikes very precisely, thus minimizing the risk of collateral damage, and the mass media scrutiny applied to soldiers on battlefields—particularly given public skepticism of militaristic interventions and their potentiality for abuse—creates preemptive incentives for militaries to avoid engaging the worst excesses of abuse.

### *Opposing Invasions*

- Alternatives exist. For instance, sanctions can put targeted pressure on elites or cut off crucial supply chains for government-linked institutions; aid can ensure that vulnerable civilian populations have access to food and medicine; and organic revolutionary efforts can put pressure on governments to reform naturally, without foreign forces being involved.
- Invasions aren't likely to work.
  - Foreign interventions—particularly when those interventions are backed by the West—often galvanize increased domestic support for abusive regimes.
  - The militaries of the countries that are being invaded have a better knowledge of the region and terrain, giving them a leg up.
  - Frequently, foreign support for invasions is quite low, which means that as the body bag effect kicks in, there's often heavy political pressure to withdraw rapidly—creating a power vacuum and further destabilizing the region.
  - There's often opposition from civilians to foreign invasions which means that (1) it's difficult to identify the distinction between civilian and non-civilian combatants, and (2) there's often violent resistance from civilians.
  - Many of the most abusive countries in the world (e.g., NK) are relatively economically underdeveloped, which means that huge swaths of terrain is heavily forested. This is problematic since it makes the use of heavy artillery or aerial forces difficult—and instead forces militaries to deploy conventional infantry units as the primary invasion tactic, which tends to be quite bloody.

- Even if the initial invasion works, government loyalists or military forces can wage protracted, low-intensity guerilla-style insurgencies, particularly in countries with vast and low-density rural areas (think: heavily forested areas in the outskirts of Myanmar or mountainous areas in Afghanistan).
- Collateral Damage: Invasions kill huge numbers of people—many of them civilians who are caught in the crossfire or killed as collateral damage. Additionally, civilians are often used as human shields by abusive regimes, like Hamas in Gaza.
- Occupation: Post-conflict governance tends to be quite difficult to manage effectively: the resulting power vacuum is often seized by radicalists, and the elitist infighting for power often results in the most extreme/bloodthirsty leader rising to power.

*Examples of Invasions*

- **Afghanistan**: In November 2001, the US and a coalition of NATO allies militarily intervened in Afghanistan to drive the Taliban—which was accused of providing safe haven and support to al-Qaeda, which had recently committed the 9/11 terror attacks in the US—out of power. Subsequently, the US established an interim, provisional government; the Taliban, which refused to cooperate with the US, waged a low-intensity insurgency for nearly two decades, until the eventual withdrawal of US forces under the Biden Administration led to the Taliban’s re-capturing of Kabul.
- **Iraq**: In 2003, the US, alongside several Western/NATO allies, intervened in Iraq, officially due to (inaccurate and manufactured) fears that Iraq was in possession of weapons of mass destruction, and (rhetorically) to eliminate Saddam Hussein’s regime and liberate the Iraqi people. The invading forces utilized a brutal “Shock and Awe” bombing campaign to rapidly drive Hussein from power. Subsequently, the US installed a transitional government, officially known as the Coalition Provisional Authority; the government struggled immensely to restore peace and to earn the support of the Iraqi people, largely because it grotesquely mismanaged the rebuilding process—for instance, nearly \$8B worth of development aid was left unaccounted, and nearly \$1.6B of aid was found in Lebanon in cash in a basement. The hardly-filled power vacuum left by the US invasion was compounded by the rise of militant extremism in the form of the Shia-leaning Mahdi Army and the fundamentalist Sunni-leaning al-Qaeda; by 2006, Iraq was plunged in violence, fueled both by the Sunni-Shia ethno-sectarian divide (which radicalists capitalized upon) and by the anti-US Iraqi insurgency (which the US responded to by sharply hiking troop deployments in 2007). The US completed its withdrawal from Iraq by 2011; regional instability caused by the Western intervention subsequently contributed to the rise of IS.
- **Gambia**: In January 2017, Yahya Jammeh—the incumbent President of Gambia since 1996—refused to step down from power after losing Gambia’s 2016 presidential election. Subsequently, the Economic Community of West African States, which includes Gambia as a member state, launched “Operation Restore Democracy,” which saw other ECOWAS

member states deploy nearly four-thousand troops into the country to ensure a peaceful transition of power. Within two days, Jammeh stepped down from power and fled the country.

- **Haiti:** In 1991, a coup d'état staged by the military overthrew a democratically elected government in Haiti; after sanctions failed to oust the junta, the US deployed twenty-five thousand soldiers to restore Jean-Bertrand Aristide, the rightly-elected President of Haiti, to power. The invasion successfully eliminated the junta with minimal casualties by forcing Raoul Cédras, the *de facto* junta-led dictator, to capitulate and relinquish power.

#### *Post-Conflict Occupation*

- **Russian occupation of South Ossetia:** Located in Georgia in the South Caucasus region, South Ossetia is a self-declared secessionist state that has been under *de facto* Russian occupation since the 2008 Russo-Georgian War. South Ossetia depends extensively on Russia for military, financial, and technical support.
- **American occupation of Iraq/Afghanistan:** Following the US-led invasions of Afghanistan (2001) and Iraq (2003), the US established transitional governmental regimes in both countries after their respective governments (the Taliban in Afghanistan and the Baathist regime in Iraq) had been driven out of power. In both contexts, the new governments were challenged by protracted, ethno-political insurgencies. Following the US withdrawal, Afghanistan subsequently fell to the Taliban, and Iraq required US support to counter the territorial advances of the Islamic State.

### **Drone Strikes**

#### US Drone Strikes

- Drone strikes (“unmanned aerial vehicles,” or “UAVs”) largely began under the Bush administration during the War on Terror, and escalated significantly under Obama. Between 2001 and 2012, the US military’s supply of drones increased by a factor of one-hundred and fifty. In total, the US has carried out an estimated ~92,000 drone strikes since the September 11<sup>th</sup> terrorist attacks; around 18,000 drone strikes were carried out during the Iraq War, and around 27,000 drone strikes were carried out in the US campaign against ISIS.
  - Many drone strikes target high-value targets (“HVTs”). For instance, the US drone strikes against Qasem Soleimani (a major Iranian military general) and Ayman al-Zawahiri (the official leader of al-Qaeda) can both be classified as strikes against HVTs.
- Most drones used by Western militaries are Predator and Reaper drones (often equipped with Hellfire missiles). Since ~2015, many countries around the world have begun developing their own drone programs. For instance, the Phantom drone, produced by China’s FJI, has been used by Turkish forces to conduct unmanned air strikes in Syria.

More generally, contemporary drone warfare has featured heavily in Ukraine, Azerbaijan, and Yemen.

- Drones are unique in the sense that they are unmanned: the people controlling them are located thousands of miles away. The most common alternatives to drones are F-16 fighter jets and A-10 aircraft, both of which are far larger than conventional drones and are flown by pilots.
- US drone strikes are highly secretive. Most are carried out by the CIA and are subject to little Congressional oversight. In fact, the US refused to even acknowledge its own drone program for nearly a decade. Hence, accurate data about drone strikes is hard to come by. The US refuses to disclose transparent information about strikes; even when militaries release information, they commonly classify any military-age male as a combatant, muddying the data. Furthermore, many drone strikes occur in Muslim-majority countries, which honor the practice of burying the deceased by sunset; this makes external monitoring difficult. Moreover, when drones target terrorist-occupied regions, militants often cordon-off targeted areas and only permit sympathizers/like-minded journalists to enter and report. As a consequence, initial reporting is frequently incorrect.

### Drone Strikes Good

- Drones are much more versatile than conventional military technologies.
  - Drones are harder to detect and easier to maneuver than conventional aircraft, allowing them to navigate difficult terrain and launch precision strikes (for instance, in the semi-autonomous tribal regions of Khyber Pakhtunkhwa in Pakistan).
  - Drones can engage in “loitering strikes,” whereby they wait for an opportunity to arise to launch attacks at specified targets. Conventional military technologies can’t do this: for instance, F-16 jets can generally stay in the air for no more than four hours, whereas most Predator drones can remain aerial for over fourteen hours.
  - Drones are particularly useful for intervening in countries with unstable or politically oppositional governments. For instance, when the US tried to limit the Taliban’s presence in Pakistan, the Pakistani government lacked regional sovereignty over rural provinces, forcing the US to abandon conventional strategies (like physical raids) in favor of drone strikes. Similarly, in Yemen, drone strikes are often the only option: boots-on-the-ground isn’t viable because there’s a real risk that collaborationist local government officials will tip-off terrorists about upcoming military operations.
- Controversially, drones may actually be better than alternative military strategies at reducing collateral damage to civilians.
  - Drones detach pilots from war. This is good because pilots are less likely to react impulsively or based on emotions like fear when they know their life isn’t at risk.

As a consequence, drone strikes—when compared to conventional airstrikes—are less likely to cause immediate harm to civilians. Moreover, drone strikes can be engineered for maximum precision.

- Drone strikes all for real-time surveillance: even if a drone strike is ordered, it can subsequently be called off as new information comes in. Alternatives don't permit this: for instance, when the US launched Tomahawk missiles at suspected Yemeni insurgent training camps in 2009, dozens of women and children were killed.
- Drones can use lower-payload munitions (like Hellfire missiles), whereas regular, non-drone airstrikes tend to use higher-payload missiles (like Maverick missiles). Why? Drone strikes are targeted, so they require less firepower to get the job done, whereas long-range missiles tend to have a larger blast radius to compensate for their potential inaccuracy.
- Drones can be highly effective at killing terrorists and reducing extremist violence.
  - The US military commonly uses drone strikes to target HVTs. In the past, this has worked. Mullah Fazlullah, the leader of the Pakistani Taliban, was killed in a drone strike in 2018, the same year in which Saleh Ali al-Sammad, the former leader of Yemen's Houthi rebel movement, was killed in an airstrike. Said Ali al-Shihri, the founder of al-Qaeda in the Arabian Peninsula, was taken out by a 2013 US drone strike. Mohammed Atef, the second-highest deputy in al-Qaeda, was killed in 2001 by a drone strike. Senior leaders of Iraq's infamous Haqqani Network, such as Nasir Mehmood, have been killed by US drone strikes in the past. Al-Shabab's former Emir (leader), Ahmed Abdi Godane was killed by a US drone strike in 2014.
  - Taking out HVTs can reduce terrorism:
    - High-value operatives often have unique skills (e.g. passport forgery or bomb making) that are vital for terrorist operations. By taking out high-ranking leaders, drone strikes can reduce the organizational cohesion of terrorist cells, especially since replacement leaders are often less charismatic and prone to erroneous judgment.
    - Drone strikes limit terrorist recruitment and training, since terrorists grow fearful of using digital technologies to communicate (since those technologies are commonly used during UAV operations to identify targets), which limits broad planning.
    - Further, terrorists often don't gather in large numbers for fear of incentivizing opportunistic drone strikes. Terrorists therefore face a difficult choice: either have clear leadership hierarchies (which are prone to collapse due to drone strikes), or have no clear leaders (which makes terrorists fragmented and less coordinated).
    - Terrorists move around frequently for fear that their current location will become compromised and they'll face a drone strike. This disrupts

planning and makes it harder to amass large military forces without detection.

- Terrorists are more likely to come to the negotiating table (especially when motivated by political or economic grievances) when they face internal fragmentation and declining membership.

### Drone Strikes Bad

- Drone strikes cause tremendous damage to civilians. An estimated ~22,000 civilians have been killed as a consequence; major examples of such strikes include the 2008 Wech Baghtu wedding party airstrike, in which 37 Afghan civilians were killed after being mistaken for Taliban militants. Logically, this makes sense:
  - Drone strikes are often carried out with impunity, as drone operators are far removed from the consequences of the decisions they make.
  - Drone strikes may target actual militants, but those militants seldom live alone: they often live with extended family, which means innocent people get killed alongside HVTs.
  - Moreover, although some terrorists operate in low-density rural areas, many modern-day terrorists are often based in tightly-packed urban regions (e.g. Hamas in Gaza, ISIS formerly in Aleppo or Raqqa).
  - Drone strikes are often conducted based on faulty intelligence. Were soldiers to be on the ground, they'd likely be better at realizing the low-quality nature of that intelligence.
  - Overwhelmingly, militaries launch “secondary drone strikes” after the first attack is done to take out potential sympathizers. This “double tap” strategy often inadvertently kills humanitarian workers or medical personnel.
  - Many “signature drone strikes” target groups of people engaging in suspicious behavior (like gathering in large groups in terrorist-occupied regions or loading heavy materials into trucks). This commonly kills innocent people; for instance, the US once launched a drone strike in Afghanistan after noticing three men doing jumping-jacks outdoors.
  - Drone strikes in rural provinces incentivize terrorists to relocate to denser-packed cities, where terrorists know drone strikes are politically riskier (due to the higher likelihood of collateral damage). Consequently, any military operation will likely cause tremendous harm to innocents.
- Drone strikes undermine the perceptual credibility/legitimacy of local governments and militaries, which look weak when the US (or any foreign actor) is seen as undermining their territorial sovereignty and meddling in internal military affairs. This has disastrous consequences.
  - Terrorists are less willing to negotiate when a government when that government looks exceptionally weak.

- Multinational counterterrorism partnerships are less credible when local governments look subservient and helpless. Further, local governments face massive political pressure to *condemn* foreign drone strikes (e.g. Yemeni President Saleh castigating the US for its drone strikes against Houthi rebels), which fragments political relations.
- Terrorists can pitch themselves as the true source of authority in the region, gaining sympathy and support.
- Drone strikes escalate terrorist recruitment. In countries like Somalia and Pakistan, drone strikes are hugely unpopular and galvanize anti-Western sentiment; some opinion polls even show that as many as 97% of Pakistanis oppose US drone strikes.
  - Further, drone strikes often prompt formerly non-aligned individuals to join terrorist groups out of revenge. This is especially true given how many low-ranking foot-soldiers are killed in drone strikes.
  - Terrorists weaponize drone strikes in propaganda/recruiting material. al-Qaeda does this extensively in its magazine, *Inspire*.
  - Even when terrorist groups become fragmented, low-ranking militants often just join other insurgent organizations within the region (for instance, in neighboring countries like Iraq or Mali).
  - Undermining the legitimacy of local governments weakens long-term state building, which drives the instability that motivates terrorist recruitment.
- The rise of drone warfare incentivizes an arms race, as other countries compete to amass more powerful drone munitions. The US, in particular, lacks the moral authority needed to call out other countries' inappropriate/harmful use of drone warfare.
  - Drones are so easy and cheap that countries may become involved in wars that they have little immediate interest in; as a consequence, conflicts escalate.
- Drone warfare violates principles of international law by subjecting people to extrajudicial violence.

### **FDI/MNCs**

- MNCs have comparative advantages in institutional knowledge, technical and managerial expertise, and industrial technology. When MNCs enter, they promote long-term capital-formation and human capital development which local companies benefit from.
- MNCs also improve domestic industries as (a) skill diffusion and on-the-job training (e.g., for managers) boosts workers' know-how (e.g., lean production techniques), (b) technology transfer and joint venture programs benefit domestic firms, and (c) highly efficient MNCs both (i) apply direct competitive pressure to domestic enterprises and (ii) set examples for local firms to follow.
- MNCs bring foreign income and foreign currency, which cash-strapped EMEs desperately need (particularly for debt servicing and paying for imports).

- MNCs export manufactured goods and import resource inputs, facilitating international economic integration.
- MNCs' presence signals favorable economic conditions and hence attracts further investment; relatedly, investment by MNC begets spillover investment as accounting firms, investment banks, insurance companies, and advertising agencies enter in tandem.
- MNCs have strong incentives to invest in local infrastructure to reduce costs (e.g., telecommunications and transportation) and establish local supply chains (e.g., sourcing raw materials locally) to exploit agglomeration economies.
- MNCs often sell in the same countries they produce (due to natural economies of scope), enabling local consumers to access high-quality low-price products.

## **Urbanization**

### *Urbanization Good*

- TL;DR—Large cities promote economic development: amassing deep labor pools attracts foreign investment (e.g., MNCs building factories), centralizing production in a single region begets economies of agglomeration (e.g., reduced transportation costs), and establishing clear central business districts helps emerging markets overcome investment stigma and receive international financing (e.g., lending from institutional investors); in turn, foreign capital helps expedite industrialization. Urban areas can also provide better services (e.g., healthcare, education, and infrastructure) to far more people at far less expense; particularly, the accessibility of education in urban areas is particularly important in long-term human capital upskilling. Urbanization further benefits rural areas through remittances and high-skill “brain” circulation. Urbanization can also help the environment (since high-density areas use land more efficiently and reduce car use), disadvantaged groups (since cities often skew more left/progressive-leaning), workers (who benefit from the diffusion of skills and expertise from the broad-base of workers around them), and entrepreneurs (who are more likely to start businesses when millions of potential consumers are in close proximity).
- Economies of Scale (Public-Sector): Public services (hospitals, schools) reach more people in high-density areas. State-provided services in cash-strapped developing economies are viable in cities, since operating costs are spread over many more users. Improving access to education increases, in the long term, the supply of skilled workers.
- Agglomeration Economies (Private-Sector): Concentrating manufacturers and businesses in close proximity reduces transportation costs, increases firms' access to resource inputs, improves knowledge spillover, and enables workers to specialize. Spatial proximity also allows firms to take advantage of network economies: firms grow interconnected via supply chains and hence mutually benefit from each other's success.
- Production Costs: Urbanization increases the supply of labor which (i) improves the depth of the labor pool, (ii) reduces labor costs, and (iii) enables labor sorting. Cities

typically have better infrastructure (roads, rail lines, subways) and hence reduce shipping costs.

- **FDI**: Megacities become reputed as “central business districts” and hence attract foreign investment by overcoming investment stigma. Urbanization necessitates large-scale construction of transportation networks, utilities, and communication systems, which increases investment attractiveness. Companies can sell to wide consumer markets in cities. *Economies of scope* (e.g., presence of insurance companies and legal firms) entices foreign investors. Municipal authorities in cities are usually pro-business (e.g., tax incentives).
  - FDI creates jobs, provides workers with training and skills, puts competitive pressure on domestic firms to “shape up,” increases developing countries’ exports, and enables transfers of technology.
- **Urbanization Promotes Rural Development**: Remittances empower growth back home in rural communities. Brain circulation promotes long-term growth. Urbanization makes the private provision of services (e.g., private healthcare) profitable, enabling budget-constrained governments to shift resources towards rural areas. Rural–urban social contact breaks down discriminatory stigmas.

#### *Urbanization Bad*

- TL;DR—Further urbanization is unnecessary. Emigration, brain drain, capital flight out of rural areas makes highly vulnerable areas even worse off—and fosters political resentment against the dominance of “urban elites;” indeed, the staggering inequality made possible by industrialization in urban areas can be highly destabilizing. Rapid urbanization can also over-strain physical infrastructure (like roads, bridges, electricity grids, telecommunications networks, and water systems); without effective urban planning, urbanization can overburden service infrastructure (like schools and hospitals), spread disease by overwhelming sanitation systems and encouraging over-crowding, and engender social discord and criminal activity. Relatedly, urban sprawl can degrade local ecosystems.
- **Rural–Urban Brain Drain**: Rural-to-urban migration saps talent (i.e., educated youth), wealth (i.e., middle-class emigrants), and political power (i.e., voters) from rural communities; businesses close, aggregate demand collapses, and local tax revenues fall. Concurrently, urbanization increases the political dominance of cities, often at the (zero-sum) expense of rural areas. Rural towns dependent on agriculture face food shortages when able-bodied young men leave for cities. National economic policy prioritizes urban growth, often at the expense of rural areas.
  - **Remittances are Bad**: (Mitigation: transaction costs typically eat 10%–15% of remittances). (1) Rural communities grow dependent on remittances; shocks hurt worse when remittance inflows dry up. (2) Remittances reduce labor force participation rates in rural areas, since non-labor income (i.e., remittance

payments) substitute for labor income (i.e., working a job). (3) Remittances reduce savings rates: psychologically, the need to save is reduced by the expectation of future remittance payments. (4) International remittances cause the Dutch disease effect. (5) Remittance recipients typically increase spending on non-essential and luxury goods (which are usually produced outside rural areas).

- Urbanization Hurts Development:

- **Infrastructure:** Rapid urbanization over-strains critical infrastructure: ports, roads, airports, electricity networks, water supply, sanitation systems, and communications infrastructure. Maintaining overused infrastructure puts strain on government finances. Highly-publicized infrastructure failures undermine investor confidence. Poor infrastructure (e.g., lengthy airport delays) deters FDI.
- **Innovation:** An abundant supply of low-skilled workers increases the benefit of using existing low-skilled technology and thus reduces firms' incentive to innovate.
- **Crime:** Urbanization increases crime in four ways: (i) since high levels of rural-to-urban migration overwhelm urban job markets, many are left unemployed (but do not return because they'll face social ostracism and stigma) and these high unemployment rates in slums drive vulnerable youth into crime out of necessity; (ii) extreme economic inequality in cities is highly visible and sparks social discontent, often driving violence; (iii) the vast anonymity of city life reduces many social mechanisms of accountability; and (iv) since rural-to-urban migration dislocates migrants from their hometown communities, some migrants join criminal organizations to regain a lost sense of community.
  - *Crime deters FDI:* (i) companies fear for the safety of their physical assets and local employees, (ii) hiring private security to offset the risk of crime increases operating costs, (iii) higher crime rates increase insurance premiums, (iv) elevated crime levels deter skilled workers from relocating, and (v) companies fear damaging their brand reputation if they associate with high-crime environments.
- **Migration Cascades:** Internal migrants often become international migrants (i.e., rural-to-urban migration is frequently the precursor to international migration) because (i) socio-cultural ties to one's place of origin weaken after migrating to cities and (ii) internal migration familiarizes migrants with the process and advantages of migration, thereby greasing the wheels for international migration. International migration hurts domestic development via capital flight and brain drain.
- **Public Health:** Urbanization undermines public health because overcrowding in urban slums contributes to the spread of infectious disease. Public health crises increase investment stigma and disrupt production.

- Overburdening Cities: Rural migrants typically find housing in urban slums, where sanitation is lacking, crime is endemic, services are overwhelmed, and tensions are high. Services (e.g., schools, hospitals, bridges, electricity grids) cannot keep up with increased demand because land is limited, resources are tight, qualified professionals (e.g., doctors) are scarce, new (rural–urban) users of public services are poor (and hence contribute little by way of taxation), services are not infinitely scalable, crime undermines public infrastructure, and infrastructure was often built decades ago and can't easily be renovated without causing grave disruption.
- Urban Misery: Housing is scarce (due to zoning laws and land constraints), prices are high (due to demand-pull inflation), and quality of life is often low (due to pollution, traffic, noise, crime). Unemployment rates are high because migration outpaces firms' growth; many find work in the informal (unregulated) economy. Even still, people enter cities with high hopes of striking it rich.
- Politics: Rural areas grow disenchanted with the political and cultural dominance of cities. Backlash ensues through political and social institutions.
- Environment: Urbanization increases pollution, deforestation due to urban sprawl, and industrial runoff.

## Censorship

### *Corporate Censorship Good*

- Private censorship is done well, i.e., in rare but clear-cut cases: (1) Companies' profit incentive deters needless censorship because censorship risks alienating people away from your platform (e.g., Trump sympathizers). (2) Censoring people with reasonable views triggers broader-scale backlash; you get slandered for assaulting free speech rights and caving to the woke mob. (3) Censorship is typically demanded by activists, human rights organizations, and progressive campaigns; when the targets of censorship are truly popular, the resulting blowback from those targets' supporters balances out the left's calls for censorship. Hence, censorship occurs when the pro-censorship crowd is significantly larger (and more credible) than the anti-censorship crowd. (4) Companies aren't monoliths: internally, employees have different views on these debates, so companies only pull the trigger when the dominant consensus is pro-censorship, which happens only in the most extreme cases. (5) AI-powered content moderation filters become increasingly "good" at differentiating hateful content from permissible content, because these systems improve recurrently as their access to data increases. (6) Companies have a game-theoretic incentive to avoid over-using the tools of censorship to deter activists from obsessively calling for cancellation. (7) Calling for de-platforming is personally costly (e.g., you risk facing social disapprobation), so activists typically call for cancellation only in extreme cases.
- Combating harmful/misinformative content is good: (1) De-platforming harmful content reduces total exposure to that content; limiting exposure stops people from falling into

the radicalization pipeline. (2) De-platforming harmful content incentivizes radical speakers to pre-emptively moderate their speech, so as to avoid censorship. (3) Failing to remove harmful content lends implicit credence to hurtful speakers; bans shatter cults of personality. (4) Hateful content chills minorities' speech. (5) Harmful speech spirals as others share and repost original messages, amplifying these harms.

- Weighing: The emotional benefits of banning hateful speech against minorities outweighs the societal costs of banning non-hateful speech.
- Weighing: Hurtful speakers are artificially persuasive because they (i) weaponize pseudoscience that's easy to sell and hard to refute (e.g., "jet fuel doesn't melt steel beams") and (ii) are typically charismatic/charming.
- Private firms have a right to moderate content as they see fit; they built these platforms and hence have ownership rights. Moreover, private firms have a duty to remove hateful content: Inaction is, itself, a choice. Choosing to *not* deplatform hateful speech makes private firms complicit.

### *Corporate Censorship Bad*

- Companies go too far when censoring speech and cancel more "good" speech than "bad" speech: (1) Over time, as censorship becomes normalized and activists' calls are met with bans, the bar for what constitutes "bad speech" falls lower and lower in a "woke race to the bottom." (2) Companies maximize profits, so they (i) cancel speech critical of their platforms and (ii) cave to the demands of loud, vocal (numerical) minorities to quickly limit public outcry. (3) Small, concentrated interest groups care more about cancellation than diffuse, large majorities. This disparity means vocal political strong-arm their way into censorship and face limited pushback from a disinterested, non-scrutinizing public. (4) Powerful and well-connected groups are most able to call for limits on speech; weaker voices are drowned out and silenced.
  - Chilling Effect: Even if companies primarily cancel "bad" speech, regular people fear being canceled for "good" speech and hence are deterred from speaking.
- Banning hateful content backfires: (1) Conspiracy-based speech (e.g., Holocaust denial) typically claims that powerful elites seek to silence the truth; banning such speech validates these narratives and hence bolsters credibility. (2) Censorship portrays radical speakers as the martyrs of free speech; they gain larger followings by playing the victim card. (3) Banning harmful speech draws more attention to that speech (i.e., the "Streisand effect). (4) Hateful speakers shift to narrower platforms (e.g., Gab) devoid of counterbalancing voices and content moderation policies; these platforms worsen radicalization and lead to violence. (5) Airing harmful views exposes them to criticism and scrutiny; outing racism is preferable to letting racism simmer, then explode, without a "pressure valve" to blow off steam.

- Private censorship is unjust: (1) Right to free speech (see below). (2) Private firms are the “public squares” of the modern day and hence should be governed by the same standards as the state. Tech oligarchs (think Musk) should not dominate democratic discourse.

## **Free Speech**

### *Defending Free Speech*

- Freedom of Identity: Freedom of speech is inextricably tied to freedom of identity. Speech is the way we project ourselves to others—it’s how we share our opinions, our values, and our beliefs. To take away the right to free speech is to infringe upon people’s right to their own identity.
- Pursuit of Truth: We have no way of knowing what is true, false, right, or wrong. Societal discourse moves closer to uncovering objective truths, yet censorship problematizes our pursuit of truth in three ways:
  - Exclusion: “The opinion which [is] suppress[ed] by authority may possibly be true. Those who desire to suppress it, of course deny its truth; but they are not infallible. They have no authority to decide the question for all mankind, and exclude every other person from the means of judging.” (from Mill)
  - Dogma: Censorship strengthens the stigma against challenging dominant beliefs. When there exists a “tacit convention that principles are not to be disputed” and “discussion [of] great questions... is considered to be closed,” people (including scholars, politicians, and academics) are less likely to “follow [their] intellect to whatever conclusions it may lead.” Censorship therefore creates a culture of dogma.
  - Defense: Speech may sometimes possess no merit of truth (e.g., hate speech). But good speech must be defensible against common objections. Hence, (on-face) worthless speech is useful, for it tests what we believe to be true.
- Fulfillment: Free speech is inseparable from self-fulfillment because we derive tremendous value from our public expressions. We treasure our ability to share and hear diverse perspectives. Humankind has a revealed preference for openness.
- Importance of Political Speech:
  - Vigorous Debate: Freedom of political speech facilitates our pursuit of political truth (e.g., optimal policies or candidates) by exposing us to competing political viewpoints.
  - Accountability: The government must protect the right to free speech to subject itself to an open exchange of ideas, which includes criticism of the state.
  - Self-Governance: Democracy is deeply imperfect: the losing 49% of voters will be subject to a government they did not consent to. Free speech makes this outcome tolerable: my vote has no hope of swinging an election, but my voice can change the minds of others. Hence, freedom of expression is essential for democratic self-governance.

- Epistemic Gatekeeping: The speaker-centric defense argues that freedom of speech is inseparable from agency (i.e., we all have our own moral preferences and have a right to share those preferences freely and openly with others). The listener-centric defense argues that governments shouldn't be in the business of policing the ideas we may be exposed to.
- Banning Speech is Bad:
  - Streisand Effect: Bans are controversial and draw increased focus to harmful speech. For instance, researchers estimate that Twitter's censoring of the *New York Post* reporting on Hunter Biden's Burisma scandal doubled the story's total viewer count.
  - Credibility: Conspiracists claim powerful elites work to keep people in the dark. For instance, 9/11 truthers claim the US government continues silencing the truth about its role in the terror attacks. Banning speech lends credence to these claims.
  - Victimhood: Banning portrays criminals as victims. For instance, when neo-Nazis were banned from marching in Skokie, Illinois, in 1977, the ACLU defended the Nazis with millions in legal aid and the National Socialist Party of America championed itself as victimized martyrs, fighting bravely to safeguard free speech rights. Similarly, Holocaust denier David Irving became a martyr after his arrest.
  - Open Air in the Marketplace: Hateful speech is intimately unpersuasive, so exposing harmful speech to the metaphorical court of public opinion is often more effective than outright censorship. The solution to bad speech is often more speech.
  - Safety Valve: Banning the speech of radical groups causes those groups to grow resentful; barred from public expressions, they are more likely to resort to violence. Open speech is a "safety valve" through which radicals can blow off steam.
  - "We're Reasonable": Anti-censorship sentiments appear reasonable to non-radicals. For instance, since the 1990s, the Committee for Open Debate on the Holocaust ("CODOH") has placed hundreds of ads in university campus newspapers headlined: "The Holocaust Story—How Much of It Is False? The Case for Open Debate." CODOH weaponizes anti-censorship sentiment to build an image of "reasonableness."
  - Underground Platforms: Banning a Nazi from Twitter drives them to Twitter, where they grow more radical and hence prone to violence.
  - Chilling Effect: Absent a robust right to free speech, people fear censorship and preemptively avoid speaking.
- Who Decides? Defining harmful speech is plagued by ambiguity: What exactly constitutes hate speech? What counts as misinformation? Where do we draw the line between "good" and "bad" speech? How do we differentiate between the controversial

and the unacceptable? How far do bans on speech extend? What even qualifies as speech in the first place?

- **Ambiguity Begets Abuse:** Politicians are power-hungry and limiting information serves that interest. Governments/companies exploit ambiguity to their advantage. Fears of censorship are very real.
- **The Paradox of Banning Hate:** Bans on harmful speech must differentiate “good speech” from “bad speech.” If the criteria used to categorize “bad speech” is broad, some “good speech” may be classified as illegal. If the criteria is narrow, some “bad speech” will escape unpunished.
  - **Mugesera:** Consider Léon Mugesera, a former Rwandan politician accused of inciting anti-Tutsi violence. Mugesera fled to Canada. In *Mugesera v. Canada*, the Canadian Supreme Court acquitted Mugesera, finding that while his speech was vile, it didn’t constitute genocide incitement. Later, Rwanda’s Court of Appeal found Mugesera guilty of the very same charges.
  - **Fritzsche:** Hans Fritzsche was a lead Nazi radio broadcaster yet was acquitted during the Nuremberg Trials since prosecutors lacked evidence to prove *mens rea* (criminal intent).
  - **NetzDG:** In 2017, the German Bundestag passed the Network Enforcement Act, more commonly known as NetzDG. Under the law, social media platforms like Google and Facebook are legally obligated to remove content classified as hate speech or misinformation within twenty-four hours of posting; failure to do so may result in a multi-million euro fine. Companies have engaged in preemptive censorship to avoid fines; consequently, legitimate speech has been caught in the crossfire. Several anti-Nazi discussion forums have been banned off Facebook. German political pundits, like Martin Hilpert, have been censored for criticizing Germany’s immigration policy. FAZ, a center-right German newspaper, was delisted from Google’s search engine.
- **Slippery Slope:** Restrictions on free speech are justified in the name of preventing massive violence (e.g., genocide). That mandate justifies broad enforcement of anti-speech laws.
  - **Rwanda’s Constitutional Divisionism:** Post-1994, Rwanda’s “divisionism” laws banned any speech advocating sectarianism, discrimination, or genocide ideology.” This prohibition was well-intentioned, but since then, Rwanda’s laws against genocide denial have become warped. For instance, when BBC aired a documentary about the genocide that estimated a lower death count than claimed in the national constitution, the Rwandan parliament banned BBC from the entire country.

- Judicialization of Speech Disputes: When laws ban speech, gray zones arise. Judges must step in. Judges are then tasked with weighing legality (i.e., free speech rights) against societal interests (i.e., equality/safety). These matters are indistinguishable from the matters presented to legislators, with judges drawing upon personal philosophy to arrive at an optimal balance.
- Speech as a Positive Right: Speech rights are not only negative (e.g., “Congress shall make no law... abridging the freedom of speech”) but also positive: we have an affirmative right to express ourselves. If speech functions as a marketplace, states must correct for market failures—namely, wealthy and powerful voices have the social capital to overpower disenfranchised voices.

### *Curbing Free Speech*

- Graded Absolutism via Balancing: Rights have limits; speech is no different. Some speech is banned for causing harm (e.g., libel, fighting words, and obscenity). Some speech is banned on the basis of time, place, and manner (e.g., schools, false advertising, midnight protests).
  - **Canada’s Charter of Rights and Freedoms**: Canadians are entitled to “freedom of thought, belief, opinion and expression,” that right is guaranteed “only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.”
  - **Hate Speech**: Freedom of expression is valuable, but must be weighed against the concrete harms of extremism: trauma, fear, and violence. Insofar as no right is absolute, we must balance extremists’ right to expression against minorities’ right to inclusion and safety. The interests of the latter should win out since hate speech serves no productive purpose and does nothing to advance society’s pursuit of truth.
- How Free Speech Hurts:
  - Primary (Trauma): Being tormented is traumatizing. Racial epithets, for instance, degrade a person’s sense of self-worth; you are made to feel lesser when those around you demonize your very identity. These effects affront fundamental human rights (e.g., we have a right to live our lives without being harassed simply for being a certain way). *Freedom of identity trumps freedom of speech*.
  - Secondary (Fear): Noxious speech cultivates a social environment of exclusion; the signals sent by hateful speech are threatening (e.g., you’re scared that the mocking humiliation you face could escalate to outright violence).
  - Tertiary (Chilling Effect): People fear speaking when they feel under attack. Even a few hateful voices can displace many more disadvantaged voices—but surely everyone has an equal right to speech.
- Marketplace Doesn’t Work:

- Regulation: Centuries of discourse have failed to eliminate racist belief from existence. Hatred's stubborn persistence illustrates how the marketplace of ideas is just like any other market—*regulation is needed to limit harm*.
- Irrationality: People do not evaluate all perspectives rationally. We suffer from cognitive biases. We have limited attention spans. We stereotype groups unfamiliar to us. We prefer style to substance. We rarely draw salient conclusions from public debate.
- Bad Speech Sells Well: Hateful voices use pseudoscientific claims, misconstrue evidence, and ignore crucial historical context, backed by years of personal obsession. Consequently, false claims are easy to make but hard to rebut.
  - Inadjudicability: Moral defenses of free speech assume people are able to parse through competing arguments and come to well-reasoned conclusions. But “bad speech” can’t be rationally evaluated; it can’t be debated or argued with. Hence, prohibiting this sort of speech protects the sanctity of the marketplace of ideas.
- “It’s Up for Debate.” Discriminatory speech suggests some topics are open for debate, even when they are not (e.g., trans rights).
- Epistemic Paternalism: Society gains nothing from vitriolic racism. Debating whether or not the Holocaust happened is nonsensical. People, we know, are not biologically inferior just because of their race, gender, or sexual orientation. These are unequivocal facts.
  - **Jury Trials**: A trial’s primary goal is to determine the facts of the case (e.g., “is the defendant guilty or innocent?”). Per Mill, society’s primary goal is to search for objective truth (e.g., “what is the optimal form of government?”). Juries are composed of regular people tasked with determining that truth. Similarly, regular people in society search for the truth through public discussion. Hence, although courts share key characteristics of mainstream public dialogue. Yet courts tightly restrict the speech that juries can hear. Hearsay is forbidden. Inadmissible evidence is barred. Dozens of rules regulate how witnesses, lawyers, and even judges can behave. *When regular people are tasked with the critical responsibility of determining the truth, they should only be exposed to regulated speech.*

## **Social Justice Stock Arguments**

### *Radicalism*

- **Moderation**: Movements succeed by rallying wide-scale political, economic, or social change—and that requires building cross-cutting coalitions with a range of voters, protesters, donors, politicians, organizations, and companies; radicalism turns off the many moderate supporters needed to build that coalition. Moderate movements possess the credibility to negotiate, the appropriate tone to be covered fairly in the media, and the reasonable demeanor to earn seats at the table. Moderate movements are harder to demonize, scapegoat, or crack down on, and are less likely to turn violent in public

protests; furthermore, moderate messaging reduces internal divisions/bifurcations within social movements.

- **Radicalism:** Hard-line messaging increases movements' relative bargaining power, shifts the Overton window, attracts greater attention from the media, and energizes the cause's most devoted supporters—who, in turn, more than compensate in energy, effort, and money for that lost by moderates who are turned away. Radical tactics, including violence, can make defending the status quo economically and politically prohibitive by directly inflicting pain on oppressive institutions. “Small-tent” social movements are also less subject to commercialization (since companies won’t feature radical messages), co-optation by political elites (since hard-nosed radicals aren’t likely to capitulate), slacktivism (since radicalism raises the barriers to entry and thus renders mere virtue-signaling insufficient), and burn-out (since radical supporters feel strongly enough about the cause that minor setbacks don’t disillusion them from the movement).

### *Leaders*

- **Leader-less Protests:** Leaders are likely to come from privileged backgrounds, as they have the wealth, connections, time, prestige, and socio-material advantages to rise up movements’ ranks; privileged leaders may crowd out intersectional agendas and alienate those who face multiple layers of discrimination. Relying on leaders is both risky (e.g., leaders may be co-opted by powerful political institutions) and unsustainable (e.g., leaders can become embroiled in controversy or even killed/assassinated).
- **Leader-led Protests:** While decentralized movements quickly lose steam after protests’ initial spark dies down, leaders’ persistent advocacy enables movements to endure temporary setbacks and wage a longer fight for change; leaders also act as credible middlemen to facilitate negotiations between large, popular masses and elite institutions (like governments). And since leaders usually arise organically, gaining trust and widespread support within the movement through displays of bravery and dedication, they overwhelmingly act in the interest of the broader movement—and remain attentive to their demands. Most significantly, leader-led movements are far less likely to fracture, as leaders can inspire a broad coalition of followers and mediate intra-communal disagreements; similarly, leaders have the credibility and publicity to rein in movements’ unpalatable extremes.

### *Court Successes*

In 2018, Costa Rica’s supreme court ruled that the ban on same-sex marriage was unconstitutional. In 2019, Ecuador legally recognized same-sex marriage after a majority of judges in highest court ruled in favor of a gay couple suing the country’s civil registry. In 2017, Taiwan’s Constitutional Court struck down a law prohibiting gay marriage. In 2019, Austria’s high court ruled that the institution of marriage could not legally discriminate against the queer community. In 2006, South Africa’s Constitutional Court ruled against prior laws that

criminalized same-sex marriage, making South Africa the first country in the Southern Hemisphere to legalize gay marriage. In 2003, a series of court rulings in Canada contributed to the establishment of a nation-wide legalization of same-sex marriage. Mexico's Supreme Court issued crucial rulings in both 2015 and 2021 that banned the criminalization of same-sex marriages. The 2015 Obergefell v Hodges Supreme Court case legalized gay marriage nationwide in the US. A 2018 court ruling by India's supreme court legalized gay sex

### *Leader-Led Protests*

#### **Before we offer three arguments in favor of leadership in social justice movements (SJMs), let's characterize the leaders of social justice movements.**

- First, leaders arise organically; they must earn the trust and support of the broader movement to become a leader in the first place. Consequently, leaders have the movements' best interests at heart and are receptive to feedback from grassroots activists.
- Second, leaders must maintain trust. If a leader betrays the activists they lead, that leader will lose credibility and face internal backlash. Therefore, leaders have strong preemptive incentives to strategize carefully and ensure they are not straying too far from the movement's beliefs.
- Third, leaders are usually selfless and devoted intensely to the cause. The sort of person who strives to lead a social justice movement is the sort of person who understands the risks involved and pushes through nonetheless because they care deeply about the fight for justice.

Given that characterization, four constructive arguments.

#### **First Argument: Leaders mobilize committed followers. Two warrants**

- **First warrant**, leaders increase the long-term sustainability of social movements.
  - On both sides, even the largest movements can disappear and be forgotten before the next election cycle: supporters lose faith, headlines move on, and protests die out. This is because all movements will fail initially—the barriers to creating change are high, it's hard to get a movement started, and many give up.
  - Leaders are necessary for two reasons:
    - One, leaders inspire followers: they have earned the trust and support of the movement, which they use to convince followers that they must continue struggling even when the cause seems hopeless. Leaderless movements lack a clear authority figure who can convince people that the fight is worth it.
    - Two, leaders reduce burnout. For many activists, a flashpoint incident (like George Floyd's murder) sparks their interest in activism, but weeks into the fight, they grow exhausted and tired. In those moments, leaders act as symbolic icons who activists aspire to be like. For instance, many grassroots activists in the fight against Apartheid idolized Nelson

Mandela's bravery; the bravery of their leader overcame their reluctance to continue the fight. Hence, leaders ensure durable participation in social movements.

- **Second warrant**, leaders reduce fragmentation.
  - Even if OPP's leaderless movements gain more traction at first, they quickly divide. This is because leaderless movements may initially share goals or broad objectives but eventually disagree over what policy priorities to target, which candidates to support in elections, and what strategies to employ.
  - When divisions arise, activists either drop out (as they believe the movement no longer represents the cause) or split into factions (as they find working within the movement to be untenable).
    - Both options are bad. Activists dropping out reduces the movement's bargaining power. Fragmentation splits the movement's scarce resources and portrays the movement as ineffective and bogged down by infighting.
  - Leaders reduce the probability of a movement fracturing for two reasons:
    - One, leaders mediate disagreements. They are uniquely well-positioned to resolve disagreements between activists thanks to their charisma and reputation within the movement. For instance, an environmentalist leader has the social capital within the movement to convince violent and non-violent activists who disagree on the question of eco-terrorism to compromise and find a middle-ground solution.
    - Two, leaders raise the opportunity costs of starting rival factions: activists on their side may believe their new movement can out-compete the group they're leaving, but the publicity and fame surrounding the current movement's leader convinces activists on our side that factionalizing is futile—your new movement will be quickly out-competed.

### **Second Argument: Leaders effectively pressure authorities. Two warrants:**

- **First warrant**, leaderless social movements use financial resources inefficiently.
  - On both sides, movements have limited resources like money and manpower. Since leaderless movements lack a top-down leadership structure, different organizations tend to use their resources in different ways since there's limited capacity for cross-movement coordination. For instance, some pro-choice advocacy movements might funnel money into liberal campaigns in swing states while other movements spend primarily on lobbying state legislators or financing abortion clinics.
  - This fractured use of resources is deeply inefficient since resource-constrained social movements cannot exploit economies of scale by pooling resources together. For instance, social movements are more likely to pass favorable legislation when they focus their resources on winning a small number of critical

elections (where their limited funds can make an actual difference) rather than splitting their funding across dozens of different priorities.

- Leaders make this possible because, after consulting with members of the movement, they can direct heterogeneous social movements to implement a shared agenda. Therefore, even if leaderless social movements raise more support,
- **Second warrant**, movements with leaders receive more participation.
  - To achieve change, you need a critical mass of people to support the cause (for example, by taking to the streets in protest).
    - However, on both sides, social movements face a collective action problem: individuals may agree with a movement's values but hesitate to join the cause because their individual participation has a limited impact on the movement's likelihood of success, while they suffer the full personal costs of participation (for instance, the risk of being fired from your job).
  - Leaders help overcome the collective action problem. Here's how this works:
    - Consider joining a protest for criminal justice reform. You will only do so if you are confident many other people will join in as well—otherwise, you won't participate, since you suffer personal costs for a fight that goes nowhere.
    - Leaderless movements are too decentralized to credibly promise that others will show up on a large scale. You may hope others join the cause, but there's no trusted authority to assuage your doubts.
    - Leadership is the solution: only with a leader, whose voice is recognized by millions, can people feel confident that joining the fight is a rational choice; the leader's call for support will assuredly be met by many people besides yourself. Hence, leaders increase mass mobilization of support for the cause. This is why union strikes rarely work unless a union leader leads the charge.

### **Third Argument: Leaders are necessary for negotiations between governments and movements to succeed.**

- Recognize that movements' most important goals—like ending police brutality, decriminalizing sex work, or reducing the gender pay gap—require social movements to negotiate with people in positions of power, like governments and corporations. Leaders greatly improve the effectiveness of these negotiations. Two warrants:
- **First warrant**, negotiations require that both sides have something to offer. (For instance, social movements usually promise to stop disruptive protests, lend support to particular candidates, or end public boycotts if politicians or businesspeople agree to their demands—like instituting gun control laws or enhancing pay for disadvantaged

employees). However, powerful institutions only offer these concessions if they think they'll get something in return.

- Unfortunately, the promises of leaderless movements—for instance, to call off public boycotts—are not credible. Without a leader, no one can speak on behalf of the movement, so no individual figure has enough support within the movement to ensure that the movement follows through on the promises it makes in negotiations (for instance, to end those boycotts).
  - Therefore, governments are unwilling to offer concessions to leaderless movements: they would be giving something up (like passing a controversial progressive law) with no guarantee of getting anything in return (for example, many protesters may continue protesting even after reform is implemented).
- By contrast, leaders can credibly claim to speak on behalf of the movement—and can command the movement's many followers to do as they say. Therefore, leaders' promises are more credible and hence more likely to extract concessions.
- **Second warrant**, governments have strong disincentives to give-in to the demands of leaderless protests. When governments offer concessions to leaderless protests, they risk emboldening protesters to escalate protests, because many activists now know their methods are working and believe that if they make the protests larger or the boycotts stiffer, even more change will come.
  - Governments deeply fear this outcome: not only do you face backlash from your own supporters for seeming “soft” on the woke left, but you also *intensify* the protests you had hoped to stop by giving in to the protest’s demands. The mere fear that this *could* happen deters governments from ever striking a bargain with leaderless protests.
  - Fortunately, governments and corporations fear this outcome much less when the movement has a clear leadership hierarchy for two reasons:
    - One, leaders can convince governments they have nothing to worry about. *Pass this law, and I'll make sure the movement backs down.* No one in a leaderless movement has the authority to make that promise.
    - Two, leaders are usually well-versed in the history of social movements and therefore understand how disastrous it would be to escalate protests after achieving victory. Perceptually, governments trust well-read leaders to quell protests after concessions more than they trust decentralized masses of protesters—even if both groups *claim* their intent to back down after change is made.
- Here’s the weighing: affecting change of any kind is path-dependent on successful negotiations between movements and powerful institutions. Even if OPP proves they get larger or more diverse movements, that matters less than having *credible* movements capable of good-faith negotiation.

#### **Fourth Argument: Leaderless movements erode fundamental rights and cause backsliding.**

- Demonizing leaderless protests is far easier than demonizing leader-led protests. On both sides, conservatives will attempt to demonize social movements and governments will try to find excuses to crack down on protests. Movements with leaders are better-positioned to survive these attacks for X reasons:
  - One, a leaderless movement has no single message, goal, priority, or voice because the movement is decentralized, heterogeneous, and amorphous. When a movement lacks a clear narrative, how is the movement covered in the media? Usually, the media focuses coverage on the most radical wings of the movement because these stories are sensational and the media is profit-oriented. Consequently, the movement is easily portrayed in public discourse as radical and even violent. These portrayals destroy social movements: being seen as radical alienates moderate supporters, gives cover for government-sponsored crackdowns, and legitimizes far-right hate in moderates' eyes.
    - OPP will rightly argue that our leader-led movements might still be labeled radical and violent on our side. It's true the accusation is made, but the accusation is less persuasive on our side because *leaders set the record straight*. Recognize that leaders are widely seen by the public as representing the movement and its goals and priorities. They wield a bully pulpit and shape the narrative around the movement. Therefore, leaders make scapegoating much more difficult. Conservative media called the civil rights movement radical, but MLK's leadership softened the blow.
- Leaderless movements are more likely to be violent:
  - Radical fringes exist either way but OPP has no capacity to rein in those fringes, so movements turn to violence.
  - Leaders have moderating incentives: understand the importance of remaining palatable in the long term and must maintain support from a wide range of activists across the movement (most of whom are opposed to violence).
  - Violence is bad: (1) Destroys the movement's perception, excoriated as violent and anarchic. (2) Violence hurts innocent people. This is a moral wrong. (3) Violence is destabilizing and provides an easy justification for governments to crack down brutally on movements, which ends all further protest.

#### **Justice System**

##### *Deontological CJS*

- The criminal justice system is not solely utilitarian. We only convict when a defendant is guilty beyond a reasonable doubt—even though we'd be better off (on utilitarian grounds) imprisoning people who are probably, but not definitely, guilty. We acquit criminals if the evidence used to prove their guilt was acquired improperly—even though

that means letting a guilty man walk free. We convict a guilty man even if his conviction will spark mass riots in the streets. We presume innocence until guilt is proven.

- **Instrumentalization:** Every person, guilty or innocent, possesses inherent dignity. Treating any person as a means to an end therefore dehumanizes them by treating them merely as a useful object, rather than a moral being with inherent dignity.
- **Proportionality/Just Desert:** Innocent people have committed no wrong and therefore deserve no punishment. Guilty people have committed some wrong and therefore deserve some punishment. But the intensity of punishment must scale with the intensity of wrongdoing. Over-punishment in pursuit of utilitarian outcomes (i.e., deterrence) is therefore wrong; for instance, fewer people would shoplift if shoplifters had their arms cut off, yet we reject this punishment as grossly wrong because it's disproportionate.
- **Ethics of Intent:** Criminality involves *actus reus* ("guilty act") and *mens rea* ("guilty mind"). Bob deliberately steals a chocolate bar; he deserves punishment. A chocolate bar falls into Alice's bag unknowingly; she doesn't deserve punishment.
- **Predictability:** The rule of law is only just if the law is applied consistently and equally. Individuals must be able to reasonably anticipate the legal consequences of their actions.

### *Future Victims*

- **Margins:** Present victims have already suffered; the best we can do is mitigate their suffering. Future victims have yet to suffer; the best we can do is prevent their suffering in the first place.
- **Numbers:** Many more people can be harmed in the future than the finite number who have already been harmed.

### *Current Victims*

- **Intuition:** Prioritizing future victims contradicts core principles of the criminal justice system. Executing all robbers, for instance, would greatly reduce harm to future robbery victims, but would be shockingly at-odds with intuition.
- **Certainty:** Recidivism is possible but not guaranteed. Future victims are unknown; none may ever exist. Conversely, present victims have experienced certain harm.
  - **Reparation:** The state has failed present victims and owes them justice.

### *Progressive Judges*

(1) Judges come from elite educational institutions which skew left-leaning. (2) Ethics training instills progressive values within up-and-coming judges. (3) Judiciaries emphasize equal protection under the law; judges are hence inculcated into a culture which valorizes egalitarianism.

### *Conservative Judges*

(1) Judges are typically old (they've gone to law school, undergone training, and served as clerks and apprentices) and are therefore less likely to harbor progressive attitudes. (2) Most judges come from privileged backgrounds: you need money to attend years of university and social connections to the ruling elite to receive appointments. Privilege insulates against hardship and hence reduces empathy for marginalized communities.

### *Deterrence Fails*

- Criminals are deterred not by punishment but by capture: the likelihood of arrest, rather than the severity of punishment, lies at the heart of deterrence.
- Much crime can't be deterred: (i) socioeconomic pressures force people to commit crime (e.g., stealing to survive), (ii) crimes of passion are spur-of-the-moment decisions, and (iii) criminals do not always act rationally and may be influenced by substances which impair cognition.
- Due to evolutionary pressures, most people prioritize short-term gains over long-term costs; further, humans struggle to differentiate between long periods (e.g., ten years versus fifteen years) of time.

### *Legal Cynicism*

- **Theory:** When communities are deeply suspicious of law enforcement, individuals often extrajudicially resolve grievances through violence. In some cases, community members outright fear that the police are inept, corrupt, or abusive. In other instances, when skepticism of the police is baked into the communal subculture, children rarely develop the cultural repertoire needed to successfully navigate governing institutions like courts as they grow up, leaving them reluctant to rely on those institutions as adults. Consequently, this cynicism becomes a self-fulfilling prophecy: as communities disengage from state institutions, they increasingly turn to extralegal methods of self-protection and dispute resolution. In turn, police militarize and roughly crack down, furthering sentiments of legal cynicism.
- **Policing:** A larger police presence increases the frequency of interactions between civilians and police officers—for instance, traffic stops happen more frequently and police are stationed more widely, like in schools. Negative interactions with the police, whether experienced directly or vicariously, beget distrust of authorities. In particular, over-policing of minority communities is strongly tied to legal cynicism due to centuries of systemically racist policing; relatedly, publicized cases of police brutality against marginalized communities serve as harrowing reminders of why legal authorities cannot be trusted. Furthermore, expanding police budgets commonly alienates community members, who would rather see taxpayer dollars go to local schools or hospitals. In short, increasing the size of policing operations increases fear, resentment, and disillusionment—the essential components of legal cynicism.

### *Long Sentences Good*

- Deterrence: While some criminals cannot be deterred, most are rational agents who break the law only when the expected reward from crime outweighs the risk-weighted costs of apprehension. Crime reduction is best achieved by either making criminal penalties stricter or increasing the probability of capture.
- Catharsis: Not all victims want the same outcome, but a strong majority crave vengeance; after all, over thousands of years, we've evolved with a primal bloodthirsty instinct for revenge. Lengthy punishments satiate that desire for revenge. Further, victims enjoy knowing (i) they will not encounter the perpetrator anytime soon and (ii) other might-be victims will not experience the same fate.
  - Reporting/Testifying: The process of reporting and testifying is traumatizing (e.g., cross-examination, humiliation tactics by defense teams, slander in the local press). Victims (and witnesses) only report and testify when the expected emotional benefit which follows the trial exceeds the emotional cost of enduring the trial.
- Vigilantism: Community members take the law into their own hands when they feel the criminal justice apparatus has delivered a miscarriage of justice; vigilante violence is worse than state-sanctioned violence because vigilantism lacks the inbuilt accountability mechanisms of state courts. Even if vigilantes don't commit violence, communal stigma complicates ex-inmates' reintegration after they're released from prison.
- Reform: Lengthy sentences disable arguments that prisoners are already given light sentences and hence don't deserve further quality-of-life improvements.

### *Longer Sentences Bad*

- Justice: (1) Long sentences for non-severe crimes violate proportionality. (2) States mustn't punish Person A for the crime of Person B, for that would violate the principle of just desert. Long sentences do precisely that: over time, people change mentally, physically, psychologically, and morally. Ten years after a crime, you are not the same person—but are still punished as if you were.
- Reintegration: Lengthy sentences exacerbate the economic difficulties of reintegration: your skills become outdated, your social support structures move on, and you are more likely to join a prison gang out of necessity or grow addicted to drugs in prison. Moreover, lengthy prison sentences cause inmates' mental health to deteriorate as they are locked away from the outside world, experience physical and sexual abuse, and lack opportunities to find fulfillment. Additionally, the longer you spend in prison, the more accustomed you grow to an institutionalized lifestyle, hampering reentry. Collectively, these effects increase recidivism.
- Third-Parties: Criminals have families (spouses and children) who are punished indirectly when sentences are lengthy.

## Ludovico Technique

### **First Argument: This technology significantly reduces crime.**

- 1—Most obviously, this technology immediately reduces recidivism. Let's analyze the reasons people commit violent crime:
  - Sometimes, it's out of necessity—but violent crimes rarely fit that profile; people steal or burglarize to make ends meet, but murder or assault are seldom a true *necessity*. That's not the type of crime we're talking about in the vast majority of cases.
  - Instead, violence is often impulsive—you flare with anger and lash out in the heat of the moment. This technology corrects for those irrational impulses: in a fit of rage, you may crave violence, but the subsequent wave of nausea erases that bloodlust.
  - Violence can be calculated and premeditated, like a hit job. In this context, violence is often institutionalized—through cartels, gangs, and criminal syndicates. Under our side, participation in these organizations is less likely (as a preemptive means of avoiding the pain induced by this technology). And even when people still participate in organized crime, they'll likely avoid putting themselves in positions where violence is a likely outcome, like drug runs in dangerous neighborhoods.
  - Some people (like serial killers) may just be inclined towards violence. This is a vast minority of criminals, for sure, but they are often the most dangerous—but will still be released on public streets one day. Counterbalancing their desire to inflict pain on others can only be accomplished through this technology.
    - Hence, we dramatically reduce rates of recidivism. This has downstream effects: for instance, violent crime is often widely covered in the media, and worsens the perception of certain communities as “undesirable.” That, in turn, drives businesses away and reduces support for providing state- or national-level funding for public services in these areas. By reducing the most highly publicized types of crimes, we reduce those perceptions.
- 2—Using this technology reduces violence in prisons.
  - Prisons are chronically unsafe environments. Knife fights break out between unruly inmates and brawls between opposing prison gangs are common. Prison guards are frequently overburdened and under-resourced, so they resort to violence to subdue disorderly prisoners. Decades of violence at Rikers Island is case in point.
  - This technology, when used on violent criminals currently servicing their sentences in prison, reduces most of this conflict—not only because this technology physically deters crime through the fear of immediate pain, but also

because prisoners are aware *everyone else* has undergone a similar procedure, which reduces the game-theoretic incentive to act violently in preemptive self defense.

- Why is reducing intra-prison violence good? Three impacts:
  - 1—Prisoners are human beings with a legitimate right to life and dignity. Reducing the indiscriminate violence that plagues prisons—especially low- or medium-security prisons—is the best way to protect prisoners' rights.
  - 2—Safer prisons reduce crime in the long term. When people aren't afraid for their lives, they can engage productively with rehabilitative services. They can grow and repent for their sins, without the constant worry of being stabbed.
  - 3—Most importantly, the dominance of violence in prison acts as a strong incentive to join prison gangs—which then trap people into cycles of crime even after they're released. The need to join such gangs is vastly reduced under our side.
- 3—This technology facilitates reintegration into society for former prisoners.
  - Reintegration is crucial because the people most likely to commit violent crimes are those who have done so in the past. When a released convict struggles to reenter society, their risk of reoffending skyrockets as a combination of social alienation and economic deprivation forces them back into crime.
  - Hence, reintegration matters. This technology helps:
    - 1—Employment is easier to get when employers perceive you as a fundamentally changed person. Some employers are just outright discriminatory, but the more common reason why former felons can't find gainful employment is that they're distrusted. Employers fear they haven't truly rehabilitated—they may still show a tendency for violence. But under our side, that fear is far harder to substantiate—after all, this technology rewires your brain to self-nauseate at even the *idea* of committing a crime.
    - This warrant extends beyond employment. Your past social networks are more likely to welcome you back when they feel you've truly changed. Landlords are more likely to let you rent an apartment. Local governments are better able to justify providing you with welfare benefits.
    - 2—Prison can be hopelessly demoralizing: people often feel deeply regretful for how they acted in the past, but they internalize stigma and feel like they may just be a lost cause; the political discourse that demonizes them as innately evil only adds to this pain. It can be hard to find the motivation to apply for a job or reach out for support when you feel like a failure; it's no surprise former prisoners are at higher risk of

experiencing symptoms of anxiety and depression. Counterintuitively, this technology can help: people can self-rationalize that they truly *have* changed and *can* turn their lives around—and even if this technology just acts as a placebo, they're still less likely to reoffend.

- 4—Using this technology on a mass scale reduces the average amount of time people spend in prisons.
  - On either side, social movements, legal scholars, and progressive politicians will push for a rehabilitative approach to justice and fight for shorter sentences. Pressure for these sentence reductions will exist on either side of the house—but on their side, state legislators and judges alike are often reluctant to give in, even when the benefits seem compelling. Why? Many people view incapacitation as a key role of the justice system. So long as even 5% of prison inmates could pose an ongoing threat to society, there's strong political pressure to keep people locked away behind prison bars and off of public streets.
  - Under our side, that concern is strongly reduced because this technology is likely to be *perceived* as a high-octane crime-prevention strategy. Gut check: *this technology sounds almost mystical* (and will probably be portrayed in the media as such). Intuitively, that means courts and legislatures alike will be more willing to give in to the demands of the political left and significantly reduce prison sentences, given that prisons no longer need to fulfill the principle of incapacitation.
  - In turn, shorter sentences promote public safety. Why?
    - 1—Shorter sentences reduce recidivism. The longer people are locked away, the more detached and isolated they grow. They find it harder to reintegrate to a world that has radically changed. More time behind bars increases risks of developing a drug addiction or joining a prison cartel.
      - OPP might say shorter sentences reduce deterrence, but this technology actually acts as a *powerful* deterrent, since most people probably find the idea of being subject to this technology terrifying.
    - 2—Shorter sentences also reduce the collateral damage of mass incarceration. Children grow up without a father. Single moms have to work extra shifts to pay the bills. These people did no wrong, and hence deserve no punishment.
  - But even if sentences aren't shorter on our side, there's still likely to be more political support for rehabilitative mechanisms, like drug addiction programs. In turn, that reduces many of the underlying *causes* of crime, like substance abuse or mental illness
- 5—In OPP's world, the alternative tactics used by prisons to (attempt to) achieve similar outcomes are simply worse.

- In short, all that this technology does is reduce the desire to commit violent crime. This goal is still held by prisons on their side—but the tactics prisons use are simply less effective and more brutal. For instance, many prisons lock criminals away in solitary cells for upwards of twenty hours a day. Other prisons unofficially use public demonstrations of cruelty, like beatings of recalcitrant inmates, as a form of deterrence against future crimes.
- Why is this the most likely way prisons will pursue the goal of crime reduction? It's simple: the people who run prisons (like wardens) most commonly think they can "intimidate" inmates into nonviolence. They often became administrators because of their deep hatred of crime and those who perpetrate it—and unsurprisingly, they often favor "old school" tactics that dehumanize prisoners and deprive them of their humanity.
  - These gross moral evils are hard to prevent. The prison lobby and prison-industrial complex make reform difficult. Limited transparency ensures that abuse is kept in the shadows. Prisoners fear speaking up for what might happen to them.
- The conclusion here is simple: prisons will try to stop future crime on either side. In our world, they use this technology—and no further damage is needed. On their side, prisoners face needless brutality.
- **This technology is principally consistent with the values of the justice system**
  - 1—This technology is, counterintuitively, good for the victims/families of violent crime.
    - While some victims crave vengeance, many others often feel deeply guilty during/after the trial process. They are still coping with the trauma of what has happened to them, and during that period of emotional instability, it's easy to feel guilty for locking someone away.
    - Under our side, it's easier to feel like you're doing the right thing. A conviction means this person will, with near-absolute certainty, never harm anyone else, ever again. No one else will ever have to go through what you've experienced. By testifying before the jury or reporting your incident to the police, you will truly ensure that other innocent people will be safe.
    - Of course, victims could feel this on either side—but currently, prison is just too ineffective at rehabilitating criminals (and thereby reducing violent reoffending post-release) for this self-rationalization to be truly persuasive.
  - 2—Preempting OPP's principle, this technology is fully aligned with the guiding principles of the justice system.
    - OPP might say that this technology is unjust. But that's inconsistent with how we currently administer justice. For example, when a violent criminal

is found to have a diagnosed psychiatric disease, we permit the state to involuntarily commit them to psychiatric treatment. Why do we deem this permissible? When someone poses a threat to society (i.e. they have shown a willingness to use violence) and we can substantially reduce that threat by changing that person's state of mind (e.g. through medication), we permit the state to do so, *even if that goes against the wishes of the patient.*

- The same principle applies to this technology. When someone commits a violent crime, they demonstrate themselves to be a threat to society. This technology allows us to substantially reduce that threat, just as we can reform criminals currently through medical means.
- 3—Even if this technology is morally questionable, the practical benefits it provides are more significant.
  - The justice system is not governed by an *absolute* commitment to deontological principles. Instead, the justice system must balance the rights of criminals against the interests of society.<sup>1</sup> This technology strikes that balance. After all, this technology is limited in scope. It doesn't affect your mood, or hobbies, or passions. This technology merely eliminates criminality from your thoughts and actions. Hence, the *degree* to which this technology is a moral affront to criminals' rights is not significant. Therefore, since this technology serves a powerful societal interest (i.e. crime reduction) without inflicting a significant moral evil on prisoners, this technology is compatible with the balancing approach to justice. The foremost duty of the justice system is preventing harm to innocents. We reduce crimes against future victims, and therefore win on that metric.

#### *Jury Nullification Bad*

- While legislative bodies aggregate the preferences of the majority to craft laws, the judiciary is intended to impartially apply laws. The role of a jury is to determine the facts of the case and adjudicate guilt. Juries (which are randomly selected and just thirteen people) are not morally equipped to make subjective decisions about the correct nature of the law. That responsibility is reserved for legislative bodies.
- Juries are substantially more likely to skew towards privileged demographics. The process of striking jurors regressively harms minority communities; juries are most likely to reflect the majority group within society.
- Jury nullification masks the underlying hazards and problems within the justice system, reducing systemic change.

---

<sup>1</sup> For instance, if the justice system prioritized moral righteousness above all else, we would rarely, if ever, impose caps on the number of appeals.

## Free Will

- Determinism
  - Physical Determinism: Everything in the universe is nothing more than a combination of atoms and particles, moving in patterns governed strictly by the laws of nature, physics, biology, and chemistry.
  - Causal Determinism: The past and present dictate the future. Every action in the universe must have a cause, which itself must have a cause, and on and on. That means every event is necessarily caused by antecedent events, forming an unbroken chain of events. We are powerless to break that chain (since our actions are part of that chain); hence, free will is an illusion.
  - Biological Determinism: Human behavior is dictated by neurological and biochemical processes we have no control over. Our thoughts are merely movements of electrochemical impulses over synapses. Our actions are caused by complex chemical reactions in our brain. Hence, our decisions are never truly free.
- Psychology: Suppose humans have the biological capacity for free will. Even then, we lack control over our decisions. Here's why: Our past lived experiences dictate our internal preferences (e.g., what brings us meaning) and external presumptions (e.g., what will happen if we act in certain ways). That means our past experiences control our current decisions. Recursively, that disproves the existence of free will.
- Environmental Factors: Even if none of this material is true, we are not truly independent actors. Our physical traits are largely determined by our genes. Our values are instilled within us by our parents, cultures, communities, and schools. The media and art we are exposed to greatly influences the norms and customs we abide by. Hence, we are never truly the masters of our own life stories; free will, even if true, is not absolute.

## State Power Principle

*Credit to Dylan McCarthy (and their excellent YouTube presentation) for these notes!*

- SPP:
  - Premise 1: The state restricts our freedom through its laws; in particular, states steal from us by taxing our income by threat of punishment, and states enforce laws through arresting and incarcerating us against our will.
    - Benefits provided by the state, like roads or hospitals, do not justify the state's violence because benefitted offers are only legitimate if they are subject to refusal. For instance, if I mow your lawn without asking for your permission, I cannot then steal twenty dollars from your wallet.
  - Premise 2: We did not consent to the state restricting our freedom: the birth lottery means we could not choose the state into which we were born and while we can

- move between states, there's no way to opt out of the control of a state (after all, there aren't vast swaths of unclaimed land).
- Premise 3: Since the state violently restricts our freedom through laws and we cannot consent to those laws, the state should restore our freedom by allowing us to democratically shape the nature of those laws. The state owes us this reparation.
    - A natural question arises: *Why is democracy the best way for the state to fulfill this reparative principle?* First, the state's enforcement of laws is the source of the state's reparative obligation; therefore, states should restore our agency by giving us democratic control over the laws the state will enforce upon us. Second, each of us have different conceptions of the good life; since no policy is objectively correct, states should fulfill its reparative duty by reflecting the subjective preferences of its citizens within its.
  - Conclusion: Democracy is an absolute right.
  - Refuting the SPP:
    - The State Power Principle is a three-part syllogism: first, states restrict our freedom through laws; second, we cannot consent to the state; third, the state must restore the freedom it non-consensually steals by allowing us to shape those laws through democracy. Let's refute each element.
    - Responding to Premise 1: The state steals our freedom and threatens violence.
      - **Response 1 :** States do restrict our freedom, but non-state forces restrict freedom even more. For instance, poverty restricts choice (e.g., I cannot live my life freely if I cannot afford basic necessities) and violence also restricts choice (e.g., I cannot live my life freely if I live in constant fear of physical injury).
        - **Implication:** Per the SPP, democracy is an absolute right because the state must restore our lost freedom, and democracy is the best way to restore our lost freedom. If violating democracy improves freedom, then the SPP is null and void.
      - **Response 2:** States increase, rather than decrease, our freedom. Why? We are more free when everyone accepts limits on liberty (i.e., we all agree to follow the state's laws) than when no one accepts limits on their liberty (i.e., we live in the state of nature). That's because unlimited liberty is self-defeating. The unhindered exercise of unlimited liberty reduces liberty in two ways.<sup>2</sup>

---

<sup>2</sup> Rousseau opens *The Social Contract* proclaiming that "man is born free, and everywhere he is in chains." Yet Rousseau reconciles the contradiction between humanity's natural freedom and loss of freedom under the Sovereign: we are "forced to be free" by the Sovereign. Under a Sovereign, we all forfeit some liberty (for instance, the liberty to do whatever we please, even inflicting pain on others). However, by forfeiting some liberty, the Sovereign liberates us from the state of nature, where we are subject to arbitrary domination by others. We therefore exchange

- First, unlimited liberty results in violence as people compete lawlessly for scarce resources (since you may exercise your liberty at my expense, e.g., you may assault me) and violence directly assaults my liberty.
- Second, unlimited liberty results in fear (since I always face the threat that you will exercise your liberty to hurt me, e.g., I cannot walk in public without fear of assault) and fear indirectly undermines assaults my liberty (e.g., I cannot leave my house if I fear being assaulted).
- ***Implication:*** The key premise of the SPP is that the state steals our freedom. But the state doesn't steal our freedom. By partially limiting agency through the enforcement of laws, the state on balance increases our freedom. Since the state increases—rather than decreases—freedom, the state has no reparative obligation to fulfill. The premise of the SPP therefore falls.
- Responding to Premise 2: We cannot consent to coercion under the state.
  - ***Response 1 (Implicit Consent):*** People do consent to live under the state and hence accept the state's authority in two ways.
    - First, contrary to popular opinion, you actually *could* live free from any state; vast swaths of mountainous terrain and rural countryside (e.g., Appalachia, Himalayas, Andes) are either lawless or scarcely governed. For sure, few people do this. But the fact you *could* live in the state of nature means you implicitly agree to the social contract.
    - Second, if someone rejected the state's authority, they could vote for anarchist parties that promised to dismantle the state apparatus. The fact that people *don't* vote for outright anarchists demonstrates that they agree to live under the control of the state.
      - Most people's knee-jerk reaction is: *no one, not even an anarchist, would vote for an anarchist party because no other voters would join the cause.* Ironically, this response defeats the SPP: if an individual person's right to democracy is so powerless, then democracy is a pitiful way for the state to fulfill its reparative obligation.
    - ***Implication:*** The SPP only works if people cannot opt-out of the state; if people can opt-out of the state, then those who choose not to implicitly opt-in to the state and hence consent to the state's coercive power. This response shows that people have at least two

---

natural freedom (in anarchy) for civil freedom (in a state). This exchange expands our liberty because natural freedom is not truly free (see above).

viable ways of opting-out of the state. By choosing to not opt-out of the state, people implicitly consent to the state. The SPP therefore falls.

■ **Response 2 (Hypothetical Consent):** Explicit consent to the state isn't necessary because hypothetical consent is sufficient.

- Consider a thought experiment: Imagine you want to cross a bridge—but unbeknownst to you, the bridge is unstable, and if you get on the bridge, you will face tremendous danger. Suppose I know that the bridge is dangerous. Would I be justified in tackling you to the ground to prevent you from crossing the bridge? Most people agree this is justified, even though you did not explicitly consent to being tackled. Why? *Hypothetical consent*. Any reasonable person who realized the danger they'd be putting themselves in by crossing the bridge would certainly accept being tackled rather than unknowingly taking such a great risk.
- This thought experiment demonstrates that physical coercion can be justified, even if you can't explicitly consent to that coercion. If a rational person would hypothetically consent to coercion when the alternative would threaten their security, then coercion is justified on the basis of hypothetical consent.
- The state's coercive power is justified because no rational person would choose to live in the state of nature. While states exercise partial violence, the fundamental state of nature is nasty, brutish, and short. Why? Man evolved to prioritize his own survival; hence, man is selfish and acts primarily to protect his own interests. The state of nature is therefore violent: since resources are limited, man lives in constant fear and must resort to violence.
- We are born into states and cannot comprehend what life in the state of nature would look like—but if we *could* comprehend how harrowing that life would be, we would assuredly agree to forfeit some of our liberty in exchange for the security provided by the state's coercive authority. Therefore, the state's coercive authority is justified on the basis of hypothetical consent.
- **Implication:** The SPP claims that we are entitled to reparation from the state because we cannot consent to the state's violence. But the state of nature is so brutal that any rational person, if hypothetically given the choice, would much prefer consenting to the state's authority than living under anarchy. Hence, the fact we do not explicitly consent to the state is irrelevant and hypothetical consent therefore invalidates any claim to reparation from the state.

- **Responding to Premise 3:** *The state must reparatively restore our freedom through democracy.*
  - **Response 1:** The state already restores our freedom in non-democratic ways—for instance, by safeguarding us against crime, protecting private property rights, and providing public goods like roads, hospitals, and schools. These state-provided benefits directly increase our freedom (for instance, roads increase our freedom to go where we please and law enforcement bodies increase our freedom to live without fear of violence).
  - **Implication:** The SPP claims democracy is an absolute good because the state must restore the autonomy its laws deprive us of. But the state amply increases our freedom in other ways. The residual reparative duty which remains is weak.
- **Response 2 (Utilitarian):** Why does liberty matter? The SPP claims liberty is important because each person harbors a different conception of the good life and therefore is in the best position to maximize their own well-being. This argument concedes that autonomy is an instrumental good: we benefit from freedom to the extent that freedom makes our lives better. This concession has two implications:
  - First, technocratic matters are poorly understood. In these contexts, states should abrogate democratic privileges to maximize utilitarian outcomes. Democracy fails to achieve these outcomes when voters cannot understand what is in their own best interests.
  - Second, most democratic preferences are outcome-based. For instance, most voters do not have specific preferences for specific economic policies (e.g., dollarization versus currency pegs). Instead, voters have preferences for preferences (e.g., reducing inflation and unemployment) which policies are instruments to achieve. Hence, democracy is not an absolute good and can be traded off against utilitarian objectives.
  - **Implication:** States might have reparative obligations—but democracy is the wrong way to discharge that reparative responsibility. Instead, states should improve life for their citizens.
- **Response 3 (Utilitarian):** Freedom is morally unimportant because free will does not exist for three reasons.
  - First, the universe is deterministic. Every event in the universe has a cause, so every event is caused by antecedent events. Put differently, the past dictates the present and the present dictates the future. Since our actions are caused by past events, and those past events are themselves caused by prior events we could not control, free will cannot exist.

- Second, the human mind is uncontrollable. Our actions are the products of complex neurological and biochemical processes which we cannot control. Therefore, the biological and neurological forces behind our actions disqualify any possibility of a free human will.
  - Third, human psychology is uncontrollable. We make decisions in the present based on prior experiences, which both inform our internal preferences and determine the assumptions we make about how the outside world will respond to our actions; thus, free will can never exist because our present actions are determined by our past experiences.
  - ***Implication:*** The SPP posits that states deprive us of liberty, and liberty must therefore be restored through democracy. This reparative argument is contingent on freedom being morally significant; otherwise, the state's deprivation of our liberty is not morally important. Since free will either does not exist or exists to a limited extent, the state's deprivation of our liberty is not a grave moral harm. Hence, no reparative duty exists and democracy is not a right.
    - In fact, utilitarianism is the correct metric by which to assess state action. Free will may or may not exist; these arguments cast doubt on the importance of autonomy. But pleasure and pain exist for sure and hence matter more than freedom. Hence, states should primarily act to maximize utility.
- **Response 4 (Minority Rights):** The state should prioritize minority rights above the will of a democracy majority for three reasons.
- First, the state should discharge its reparative obligation to those who need freedom the most. Disadvantaged minorities are those most restricted by the state: they lack economic, social, and political capital and hence are less able to shield themselves from the violence of the state. States should therefore prioritize the protection of minorities above democratic obligations to the majority to best fulfill the state power principle's reparative demands.
  - Second, democracy is premised on the equal validity of each person (e.g., "one man, one vote"). Thus, democracy is derived from the principle of equality, so any (moral) justification for democracy concedes the supreme importance of equality. Hence,

protecting minorities' rights to equality is a trump card against democracy.

- Third, state actions infringe the liberty of many groups beyond voters—for instance, future generations, foreign citizens, and non-human beings like animals. The state must not treat these groups as morally insignificant and should instead consider their rights, as well, when implementing policy.

### *Autonomy*

- First, utility is not intrinsically valuable: things are only valuable because we ascribe value to them. For instance, an apple has no intrinsic value; instead, apples have value because we assign value to apples and thus derive utility from eating those apples. Therefore, the human will—and its ability to assign value freely and without coercion—is more important than raw utility.
  - Intuition supports this claim: I would live a happier life if you hooked me up to a machine that flooded my brain with serotonin, but that life would be meaningless if I had no freedom to choose what made me happy.
- Second, individuals have direct and intimate knowledge of their own preferences; maximizing individual liberty is the best path to maximizing cumulative happiness.

### *Anti-Democracy Principles*

- **Democracy is valuable instrumentally**, e.g., central banking and technocratic matters in which voters are poorly informed.
- **The individual right to democracy is weak**: your vote never matters, not even in the swingiest of swing states.
- **Democracy is weak**: corruption, lobbying, campaign finance, representation irregularities, gerrymandering, disenfranchisement, coalition-building, bureaucracy, and corporate capture.
- **The right to democracy must be weighed up against competing principles**.
  1. Weigh against other principles!—even if democracy is a principled good, it must be weighed against people's other, more facilitative principled rights, like people's right to food or to shelter. So the question of whether democracy is an intrinsic principle is contingent on showing that democracy nets better practical outcomes.

This House would give more votes to the poor.

In principle, the poor are entitled to greater political representation. First, the state owes a reparative duty to poor communities (since wealth is transgenerational); the state has historically abused the poor (mass incarceration, over-policing, limited economic opportunities, underfunded public services). Second, wealth inequality constitutes political inequality; the poor deserve greater voting share to correct for contemporary imbalances in

political representation. Third, the poor are more affected by state policy than the non-poor since the poor have fewer resources to shield themselves from state violence, are disproportionately impacted by state policies (e.g., tax hikes), and lack alternatives to relying on the state (e.g., private hospitals).

In practice, this policy benefits the poor. Currently, politicians focus on middle- and upper-class voters (since they're better organized, wield campaign finance power, vote at higher turnout rates, experience fewer barriers to voting, and possess outsized lobbying influence). Now, the poor vote more (by combating nihilism) and have greater influence.

This policy also benefits society. Poor voters are more likely to push for public support measures (e.g., welfare systems) which increase long-term economic productivity. The poor are disproportionately affected by long-term problems (e.g., climate change).

### *Social Contract*

- No social contract exists. At no point did you ever agree to the state's violent authority to enforce its will upon you—nor did you choose where you were born, but have been bound, since birth, into the legal and social rules of the state; no explicit social contract exists or has ever existed. Furthermore, an “implicit” social contract is nonsense. The state of nature is nasty, brutish, and short, so the social contract, even if you agree to it implicitly, is a contract signed under duress; if I'm drowning at sea and you offer a contract to board your boat, that contract is morally insignificant.
- Staying in a state doesn't mean you consent to the state. Three reasons:
  - First, immigration is prohibitively expensive and socially disruptive. Suppose I forcibly impose a contract upon you, and the only way I can terminate the contract is by ending lifelong friendships and emptying my bank accounts. My hesitation to terminate the contract cannot be equivalent to active consent.
  - Second, there aren't large tracts of habitable land unoccupied by states; it's not the thirteenth century anymore. If people wanted to opt-out of any social contract with any state, they'd have nowhere to go.
  - Third, at best, you can leave one state for another. That's not meaningful consent because picking between states is akin to picking the lesser of many evil social contracts: if you offers me death or torture, the fact I pick torture does not mean I consent to being tortured.
- Voting doesn't indicate consent, either. In most democracies, half of all voters opt not to vote; clearly, they haven't consented to any party's governing authority. Among those who vote, many vote for losing parties; they, too, did not consent to the government in power. And even those who vote for the winning party choose between imperfect alternatives; no party can ever represent your preference perfectly.
- Receiving government services doesn't validate the social contract. Many benefits cannot be opted-out of (e.g., clean air). And the state monopolizes violence (e.g., I rely on the police because the police are a monopoly) so the customers of state services cannot consent, as the state is a monopoly.

- Hypothetical consent is a bad argument. Hypothetically, a reasonable person would consent to sell their car in exchange for hefty compensation, but that doesn't allow me to steal your car, leave you a good sum of money, and then invoke "hypothetical consent" to justify that theft. And the state of nature may not be nasty, brutish and short.

## Money vs Happiness

### Defending Money

- Money can't buy happiness? Poverty can't buy anything; money might have diminishing returns but poverty has escalating costs. Poverty begets stress. You are restless at night: *can I pay the bills? Can I feed my children?* Poverty puts strain on your relationships.
- Money can buy happiness. Hedonistic pleasures like travel, good food, and luxury goods bring immediate happiness. And no, you don't grow "accustomed" to these joys because wealth allows you to buy a diversity of experiences (e.g., when you grow tired of vacationing at the beach, you travel instead to a ski resort).
- Money unlocks different passions. We find pleasure in different ways, and what brings us pleasure changes over time. The single constant across time and space is that money helps you enjoy your preferences. If travel brings you joy in your thirties, you pay for travel. If making art brings you joy in your forties, you pay for art school. If golfing brings you joy in your fifties, you pay for golf club memberships.
- Money is a buffer. Natural disasters happen. Companies collapse out of the blue. Recessions occur every decade. Climate change is worsening. War is growing more frequent. Artificial intelligence may displace billions of workers. Money gives you a cushion to fall back on.
- Money buys you time. Wealth allows you to retire earlier and spend more time with your loved ones. Financial stability eliminates your need to work overtime; you see your family more frequently. And money prolongs your life by unlocking access to better healthcare.
- Money is fulfilling. You can spend on the people you love (e.g., paying off your parents' mortgage or sending your children to a good university).

### Opposing Money

- Money is marginal. Wealth has diminishing marginal returns because once you are financially comfortable, every additional dollar means less and less. Further, hedonistic pleasures lose their meaning as you become accustomed to them; a nice meal is only a nice meal when it feels like a special occasion. At any rate, money is instrumentally valuable, so we only care about money to the extent that money and privilege make you happier.
- Accumulating wealth is bad.

- First, wealth accumulation causes you to benchmark yourself even more against even wealthier people; you feel bad about your Rolex because your boss has a Patek Philippe.
- Second, you begin to doubt whether people love you because of who you are, or whether they love you simply because of your wealth.
- Third, you often feel guilty about their wealth, either because other people torment them for it or because they internally feel torn over their riches.
- Money matters less than relationships. Most people find their lives deeply rewarding (hence why they choose to live), yet few people ever grow wealthy. How can these two claims be reconciled? Most people find meaning not in materialistic goods, but rather in their relationships. Hence, humanity has a revealed preference for depth of relationships over quantity of wealth.
- Money has trade-offs. You live in high-cost areas (e.g., New York or London). You work in ethically shady careers (e.g., investment banking or corporate law). You face cut-throat competition at work. You are inculcated into a culture of avarice.

This House would pursue a lucrative career and donate a large portion of their income rather than work in the non-profit sector.

Working a lucrative career fulfills your self-interested needs (e.g., you are evolutionarily programmed to be selfish, have immediate material needs, and probably donate to feel good about yourself). Money is good (see above).

Working at a non-profit corrupts your love for charity. You likely have an overly-rosy preconceived image of non-profit work; commodification thus ruins your passion for generosity. You feel powerless and crushed by ever-present guilt. Working at a for-profit firm allows you to selectively engage in the enjoyable aspects of non-profit work (e.g., volunteering on the weekends).

You affect more change by donating externally than working internally. Working at a charity does little: you are fungible since other talented (EA) people will fill your void; for years, you'll be a paper pusher; and the best charities are more cash-strapped than talent-strapped. You can contribute only to one cause in the non-profit field. Money saves lives.

You also affect change within charities. As a powerful donor, you conditionalize donations on internal reform. You can leverage connections with other high-paid professionals to reform companies and increase donations. Money also affords you political power, e.g., lobbying.

## Federalization

### Against Federalism/Decentralization

- **Decentralization worsens governance**
  - Local governments have worse incentives than central governments.
    - Local governments are more likely to be corrupt. Municipal salaries are lower than federal salaries, incentivizing corruption. Local media firms have a less substantial presence, which reduces the risks of being caught.

- And anti-corruption watchdog agencies at the local level tend to be under-funded and overburdened.
- Central governments face greater accountability. International watchdogs and media agencies can focus their attention on a single governing body, rather than trying to monitor ineffective or unaccountable governing practices in many different provinces.
  - Democratic participation tends to be vastly lower at the local level (e.g., people simply don't vote at as-high rates) since the stakes feel lower and there's less local media coverage of campaigns/elections. As such, elections are less representative of the popular will on their side.
  - Local governments are likely to implement worse policy
    - Local provincial governments lack institutional capacity since GOV must divide bureaucratic and technical expertise across many different states, rather than centralizing state planners and experts in a single, federal government.
    - Regionalized governance incentivizes local governments to “race to the bottom” as they compete against different regions; for instance, different localities might lower wages or slash protective working conditions to attract businesses to *their* locality. But a central government doesn't face this adverse, competitive pressure. Hence, governance is likely to better protect rights under our side.
    - Corporate capture of developing countries' governments is more likely at the local level, since the risk of accepting bribes is markedly lower and the consequences of being caught are less dire. As such, corporations are likely to exert outsized influence on policy deliberation on their side. This may happen to some extent either way, but centralization deters accepting lobbyists' bribes *en masse*.
  - Local governments face fewer checks and balances.
    - GOV would be right to say that many are skeptical of national, central governments. As such, central governments must codify explicit checks on their own power. They must have independent judiciaries, clear limits on state authority, caps on fiscal spending, and so forth. But local governments face *a priori* less scrutiny—especially when regions are (relatively) ethnically homogeneous, thereby enabling local governments to develop excessive power. They crack down on independent media outlets. They stifle commercial enterprises which they disagree ideologically with. Central governments have similar incentives to engage in similar crackdowns... but they face greater restrictions on their power that disable them from doing so.
  - **Decentralization stunts economic development**

- By far, economic stability is the most pressing issue facing developing countries. Millions live in poverty. Human rights protections deteriorate when basic needs aren't met. The risk of conflict is elevated dramatically by rampant inequality and economic stagnation. Why does centralization worsen economic development?
  - National economic development requires coordination between different provinces: you need to build transnational railway networks, standardize accounting practices used by businesses, develop robust state institutions, and so forth. Decentralization makes these projects harder because many different states must now jointly agree to participate, slowing down the process of economic integration and stunting development, whereas a unified, central government is better able to pursue development on our side by overcoming game theoretic barriers. Getting six different provinces to agree on infrastructure projects borders on impossible; having just one central government agree to that project is far easier.
  - Foreign investment is likely to reduce on their side. This is because to invest into a country (e.g. to build a factory), you must coordinate not only with a single federal authority (as you do on our side), but instead with many different local authorities. That lengthens the difficult process of getting permits, receiving approval to begin construction, etc. Imagine how much *less attractive* investment seems to Western MNCs when countries have dozens of layers of regulation, certification, and codes that differ by province. In turn, investing into these economies seems less attractive (and more risky) on their side, leading to an outflow of capital.
  - Inequality is strictly worsened on their side. Wealthy provinces remain wealthy, but poor provinces remain poor. And since tax revenues stay in the same area, inequality worsens over time—the richest Ethiopian states have massive troves of wealth to splurge on state projects that promote human welfare, while the poorest states are left in the dust. On our side, redistribution to poorer provinces helps uplift the poorest of the poor.
- **Decentralization intensifies ethnic divides**
  - Many developing countries are plagued by deep ethnic cleavages and sectarian divides as a consequence of colonialism. Those tensions are worsened by decentralization.
    - Most countries lack a single, dominant ethnic majority; instead, most countries have a fragmented national identity, with different ethnic groups living in relatively homogeneous areas. Within specific regions characterized by mon-ethnic dominance, parties have strong incentives to appeal to ethnonationalist and incendiary messaging and explicitly affiliate with the local ethnic majority. Conversely, *national* parties must form cross-cutting coalitions composed of multiple groups, and coalitions of

multi-ethnic parties emerge in national parliaments. As such, centralized governments are more likely to respect ethnic diversity and reject harshly ethnicized rhetoric.

- Moreover, pockets of ethnic minorities living in non-homogeneous areas (e.g., Christians in majority-Muslim areas in Nigeria, or ethnic Serbs living in majority-Croat Croatia) are likely to be consistently scapegoated on their side. Under our side, national political coalitions aren't just more diverse—they also provide a greater range of alternative political parties for minorities to petition for change through.

## **Drug Legalization**

### *Proposition Model*

- We'll fully legalize the consumption of all currently-illegal drugs on our side. People are free to buy, consume, and possess these drugs without legal penalty.
- However, the government will tightly regulate the production of drugs, just like how currently-legal drugs are regulated by bodies like the FDA.
- These regulations come in four key forms:
  - One, drugs will be tested for purity, which means drugs cannot be “cut” with other substances, like fentanyl.
  - Two, sellers must receive operating licenses from the state to distribute drugs. Pharmacies and drug dispensaries are good examples of the types of companies which are likely to receive licenses to sell drugs.
  - Three, distributors must provide instruments for safe injection, like clean needles which aren't contaminated with sexually transmitted diseases.
  - Four, drug packing must clearly outline side effects, health risks, and concentrations which are safe to consume.

**First Argument: Legalizing all drugs is a principled duty of a just state.** There are two key layers to this principle.

- First, people have a right to bodily autonomy.
  - The state must respect the dignity of its citizens. For us to live dignified lives, we must have control over our own bodies; for instance, that's why slavery is immoral—depriving you control over your body assaults your innate dignity.
    - The right to bodily sovereignty necessitates the legalization of all drugs because we cannot truly control our bodies if we cannot control what we choose to put into our bodies.
  - Furthermore, different people find fulfillment in different ways; for instance, some people find psychedelics repulsive, while others feel that psychedelics enrich their lives. States should therefore err on the side of liberty, as individuals understand their own needs better than a government-imposed blanket ban.

- Moreover, this right to bodily autonomy includes the right to indulge in self-destructive behaviors. That's why states allow us to enlist in dangerous careers like the military, even though those decisions might hurt (or even kill) us.
  - Opposition will rightly decry drugs' destructive effects. But the government doesn't act as our baby-sitter: since states already allow us to act self-destructively all the time, consuming harmful drugs is therefore within our rights.
- In response, Opposition might argue that drugs (like heroin) cause harm to third parties (like by increasing crime) and therefore must be banned. This response falls in two ways.
  - One, states should only interfere with our private lives when our actions pose an *immediate, direct, and certain* harm to others; otherwise, states could routinely restrict our liberty through vague justifications of "preventing harm to third-parties." But consuming hard drugs does not meet that standard because drugs could *potentially* hurt third parties *indirectly*.
  - Two, the choice to consume hard drugs is morally different from the choice to commit crime while on hard drugs. While states should certainly ban the latter, they have no reason to ban the former. That's why states criminalize the act of drunk driving, but don't criminalize the act of drinking alcohol.
- Second, criminalizing drug consumption violates core principles of justice.
  - Prohibitions on drug use perpetuate racial inequality. Minority communities are systematically over-policed and drug laws are explicitly weaponized by white-majority legislatures against marginalized neighborhoods. That means disenfranchised communities are punished disproportionately for small-scale drug possession—even as white communities enjoy easy access to those same drugs without facing consequences. Half a century since Nixon's brutal War on Drugs began, the racist nature of drug laws is self-evident.
    - Laws are only fair if they are blind and impartial. Given the stark racial disparities in drug laws, drugs must be legalized.
  - Moreover, addiction should be treated as an illness, not as a crime. Why is that? Recognize that the state should only punish people for actions which were in their control; for example, that's why the state can't punish you for someone else's crime. Unfortunately, many people buying illegal drugs do so because they suffer from addiction.
    - Why does that matter? *Because addiction to drugs robs you of agency.* Your *past* use of drugs physically rewires your brain to demand further drug consumption *today*—and since addiction threatens you with horrible

withdrawal symptoms if you don't give in to those demands, addiction is akin to blackmail.

- Furthermore, addiction is beyond people's control—after all, no one intends to become addicted; still, addiction coerces people to consume illicit drugs.
- Even if Opposition proves that consuming drugs is morally bad (and therefore deserving of punishment), consuming drugs must still be legal to avoid punishing people for actions (i.e., drug consumption) which are beyond their control (i.e., due to addiction).
- Finally, double punishment is wrong; this commonly-held principle is why courts do not punish people twice for the same crime.
  - Yet drug laws constitute a form of double punishment. Why? Many people turn to drugs to cope with life's hardships, like poverty and crime. These hardships reflect failure by the state—for instance, failure to stimulate development in low-income neighborhoods and to provide rehabilitation services to first-time offenders.
  - In these contexts, the state (implicitly) punished people once. But when people then cope with the difficulty by turning to drugs, the state punishes them once again. Since double punishment is wrong, so too are drug laws.

### **Second Argument: Legalizing drugs is essential for harm reduction.**

- Let's establish context: demand for illicit drugs exists on both sides of the house. Government bans simply drive that demand into the underground black market. Why is the black market so large?
  - First, the demand-side forces which cause substance abuse—like untreated mental illness, insufficient access to rehabilitation programs, and deep emotional despair—don't vanish simply because governments ban drugs; therefore, *demand remains*.
  - Second, supply-side forces provide abundant access to drugs. Transnational criminal organizations throughout Latin America and Southeast Asia grow and synthesize staggering amounts of illicit narcotics. Cartels make millions of dollars by trafficking drugs across borders. Gangs peddle those drugs into neighborhoods. These criminal actors have vested interests in maintaining this multi-billion-dollar narcotics industry.
    - In conclusion, criminalizing drugs does not significantly reduce the number of people interested in *or* able to purchase drugs.
- Tragically, the black market is plagued by poor safety. Unregulated criminal enterprises sell impure drugs, often laced with fentanyl, at dangerously high quantities. Drug users frequently lack access to clean needles and narcan. Black market transactions in high-crime neighborhoods can be dangerous, with drug users at risk of violent crime or getting caught in the crossfire of turf wars.

- Drug legalization eliminates the black market. That's because drug users on our side are overwhelmingly likely to abandon the black market and instead buy from government-licensed distributors for three reasons.
  - First, people intensely fear that impurities in black-market drugs will kill them. The safety of government-regulated markets is highly appealing. Furthermore, the black market is widely seen as sketchy, dangerous, and risky; we provide a better-reputed alternative.
  - Second, licensed distributors will probably source drugs from pharmaceutical companies, which can produce drugs at far lower costs, especially since they don't have to illegally smuggle drugs across borders. Hence, legal-market drugs are cheaper than black-market drugs.
  - Third, the black-market for supplying drugs decreases over time. Why? Drug production and smuggling is expensive. Every consumer who turns to the legal market reduces black-market drug dealers' revenues. The high costs of the illegal drug trade eventually eclipse those declining revenues, thereby crushing the illegal supply of narcotics.
- By this point, you should be convinced that criminalizing drugs does little to stifle demand for drugs, but this policy effectively eliminates the black market. That greatly improves safety in four ways.
  - First, government regulations on producers and distributors ensure that drugs are (i) produced in pure qualities and (ii) sold in safe quantities. Hence, regulation reduces accidental deaths and overdoses. Further, legal drug facilities must provide clean needles, which reduces the spread of infectious diseases.
  - Second, legalizing drugs reduces overdose deaths. When drugs are illegal, people are afraid of seeking medical help because they fear being arrested. Legalization removes those fears and hence incentivizes people to seek help.
  - Third, legalizing drugs helps destigmatize drug use. Over time, the de-stigmatization of drug use also de-stigmatizes discussions about substance abuse. As these discussions become more frequent, the general public is likely to grow more empathetic in understanding the importance of supporting rehabilitation centers and those struggling with addiction are more likely to seek out support.
  - Fourth, governments can now tax the drug trade (worth billions of dollars) and simultaneously slash spending on the War on Drugs. That revenue can be diverted to funding rehabilitation programs which help combat addiction.
- Of course, Opposition will assuredly refute this argument by claiming that drug use will increase on our side. That claim would constitute an insufficient response for three reasons:
  - First, drug use isn't likely to increase substantially. The fact that millions of people already consume drugs illegally suggests that most people interested in

drug use (e.g., to cope with hardship) do so regardless of drugs' legality. And preemptive fear of increased drug use after legalization kicks in incentivizes large-scale awareness campaigns by governments and activists, mitigating Opposition's concerns.

- Second, even if legalizing drugs does substantially increase drug use, the sorts of drugs new drug users will consume are likely to be low-risk, low-damage drugs like psychedelics. That's because (i) consumers have no incentive to risk their life by trying harder drugs and (ii) producers are likely to focus production on low-risk drugs (e.g., LSD) to avoid public backlash, hence driving prices of low-risk drugs down relative to high-risk drugs.
  - In summary, drug use is not intrinsically bad; rather, drug use is bad because drugs can kill, maim, and destroy people's lives—but since not all drugs pose these threats, new drug consumers are most likely to turn to low-threat drugs.
- Third, drug use may actually decrease on our side. Why is that? Many are allured by the “forbidden fruit” effect, experimenting with substances because prohibition makes drugs seem more alluring. Furthermore, the sunk cost fallacy currently leads black-market drug users to purchase and consume riskier substances: once someone has gone out of their way to buy drugs illegally, they're far more likely to buy more potent substances, even if that's dangerous. Legalization solves these problems by removing the criminal stigma attached to drug use and by reducing the “sunk cost” mindset.

**Third Argument: Legalizing all drugs reduces harm to innocent third-parties.** This argument has two core mechanisms.

- First, the War on Drugs inflicts needless pain on minority communities.
  - The US epitomizes the racist nature of drug laws. Since the 1970s, the US prison population has increased over 500%. The effects of mass incarceration haven't been felt equally. Black men are, on average, *six times more likely* to be incarcerated for drug possession. Across the US, roughly one in every twelve Black middle-aged men are in prison on any given day. Opposition cannot hide from reality: *the War on Drugs is disgustingly racist.*
  - Let's offer structural analysis to substantiate these empirical facts. Minority communities are over-policed and over-frisked. Drug laws are written by tough-on-crime legislators to further marginalize the vulnerable; for instance, that's why the US over-criminalized crack (used primarily by poor Black communities) rather than cocaine (used primarily by wealthy white communities). Racial disparities in the justice system exacerbate these problems since (i) low-income defendants typically receive poor legal counsel from overworked and under-resourced public defenders, (ii) juries tend to be majority-white, and (iii) prosecutors strong-arm innocent defendants into unfair plea bargain arrangements.

- Clearly, legalizing drugs doesn't end racism in the criminal justice system. But legalization disables one of the singularly greatest tools used by the state to punish racial minorities.
- Reducing mass incarceration also improves public safety because incarcerating low-level drug offenders increases crime rates. That's because the crushing consequences of prison sentences are long-lasting.
  - Former inmates face social stigma from their communities and outright discrimination from employers; faced with this intense social and economic alienation, low-level drug offenders struggle to reintegrate into society and are often forced to turn to a life of crime.
  - Furthermore, prisons are dangerous. Inmates commonly join prison gangs to satiate their need for protection, but become entrapped in organized criminal circles even after they leave prison. Since solitary confinement and physical abuse from prison guards are normal in many prisons, drug offenders re-enter society bruised and broken, which greatly increases their likelihood of recidivism.
  - Moreover, incarceration hurts innocent, familial third-parties; for instance, when a father is imprisoned, his spouse is forced to work multiple jobs and his children struggle without a father figure.
- Second, legalizing drugs chokes off organized crime.
  - The black market for drugs is currently dominated by organized criminal syndicates like drug cartels; these criminal enterprises typically fund their activities—buying weapons, bribing politicians, financing human trafficking operations—through the multi-billion-dollar drug trade.
    - Fortunately, legalizing drugs shifts demand out of the black market and into the legal market; the black market that remains is small and therefore unprofitable. That undermines cartels' financial viability and, by extension, their capacity to operate as large-scale criminal behemoths.
  - Furthermore, organized crime requires mass membership. Typically, gangs amass members by recruiting impoverished youth into their ranks by pitching the illegal sale of drugs as a quick, easy way to make money. Legalizing drugs greatly reduces those opportunities and therefore complicates gang recruitment.

This House would legalize all drugs (Opposition)

Criminalization is legitimate. States should protect people against their own irrational actions (e.g., seatbelt laws). Drugs harm your future self (e.g., addiction); states should intervene. Moreover, people cannot meaningfully consent to using hard drugs since their mindsets change so significantly. Worst of all, drugs have third-party damages.

Legalization is practically bad because legalization increases addiction by (i) normalizing drug use, (ii) increasing access to drugs, (iii) enabling lobbying and advertising by pharma companies, and (iv) portraying drugs as optically “safe.” As new users develop tolerance, they

escalate to harder substances. Eventually, many turn to the black market to access harder drugs than sold in pharmacies; black-market drugs also avoid taxes. Moreover, legalization creates a drug-industrial complex (consider Purdue Pharma) which lobbies against regulation.

## **Religion**

### *Stock Religious Arguments*

- **Centralization/Decentralization**
- **Liberalization**
- **Meaning in Religion (Mental/Emotional Health)**
- **Fragmentation**
- **Charity**
- **Violence**
- **Community**
- **Crisis of Faith**
- **Leaving (Coercion)**
- **Theology (“What is Theologically Right”)**

### *Separation of Church and State*

- The right to religion is inseparable from the right to identity. People define themselves as part of a religious community. Curbing the right to religion is a deep assault on people's fundamental dignity.
- Religious matters can never be adjudicated by states because secular authorities in the mortal realm cannot offer definitive answers to questions like whether God exists. States can (and do) have answers to questions of secular policy (e.g., how do we best reduce unemployment?) but can never come close to answering questions of religious policy (e.g., does God think in this way?).
- States must not endorse religion because doing so is zero-sum. Validating one religious ideology necessarily invalidates other, conflicting religious ideologies.
- The state has historically propped up religion (e.g., infusing religious messaging into political campaigns, swearing people in on the Bible, and invoking references to God in pledges of allegiance). Religious organizations retain vast lobbying power. Religion is deeply embedded within state institutions.

### *Religious Coercion*

People are typically born and raised religious from a young age; they are inculcated into religious values by religious authorities, religious schools, and religious parents. Religious people cannot disobey, let alone leave, their faith for fear of eternal damnation. Authority figures (e.g., priests, rabbis, imams, deacons) claim to have a closer relationship with God; their word is hence unchallengeable. Religion dominates communities; leaving begets social disapprobation.

### *Religion Good*

- Religion provides a sense of meaning and hope for eternal salvation in the afterlife, even in the midst of suffering in the mortal realm. Further, religion forces people to act morally so as to follow God's commands. And religion provides community and a shared identity. Religious customs are deeply fulfilling and structure community life. Religion answers terrifying questions about the afterlife.
- Religion drives charity by (i) casting charity as a divine expectation, (ii) codifying alms-giving traditions, (iii) incentivizing the selfish to donate, and (iv) exploiting economies of scale through centralized charity.
- Religion is a tool for liberalization because religion emphasizes love, compassion, and forgiveness. Religious messages are co-opted (e.g., Islamic feminists, Catholic liberation theologians, Black theology) by progressives.

### *Religion Bad*

- Religion causes conflict. Religious fragmentation causes inter-denominational violence. Inbuilt to ideology is demonization of other faiths. The duty to spread faith brings religions into conflict. Religious narratives offer justification for conflict. Religious sites (e.g., the Western Wall, al-Aqsa Mosque, the Holy Temple) become hotspots for violence.
- Religion is conservative: scripture is outdated, authorities are old and privileged, and progressive re-interpretation takes centuries. Hence, religion calcifies hatred against women, queer individuals, and minorities.
- Religion hurts the vulnerable. Tithing hurts the poor. Religious authorities abuse their power. Religion justifies demonization of the marginalized (e.g., God has judged them!).
- Religious charity is bad. Charity is exploitation since religious charity preys upon people's material vulnerability in hopes of conversion. The strings attached to religious charity (e.g., working directly for the church or avoiding contraception) undermine community well-being. The “rentier effect” reduces government accountability.

### *God Likely Exists*

- **Teleology:** The near-impossibility of our existence—and its enormously complexity—is best explained through God's existence. If you stumbled across an intricate watch, you would assume there was a watchmaker responsible for its design.
- **Cosmology:** Every action must have a cause, so every action within the universe must be directly caused by some other action. Traced back infinitely, the universe must have been caused by something. This generates a problem of infinite regression: there must be some “first action” to have started the universe. This can only be explained through the existence of a being capable of breaking out of this irresolvable recursion—namely, God.
- **Consciousness:** Consciousness is a unique phenomenon yet lacks any physical or neurological explanation. Thus, an alternative non-physical explanation is required, which provides justification for God's presence in the universe.

- **Ontology:** Assume that God is a being which nothing else can be imagined as being greater. Since God is something which we can imagine, we know that God exists as an idea in our minds. All else being equal, something that exists both in our minds and in the real world is always greater than something that exists only in our minds but not in the real world. Therefore, if we imagine the “greatest being possible,” but that being does not truly exist in the world, then we have not truly imagined the “greatest being,” since something that existed of similar greatness not only in our mind but also in the real world would be greater. Since it’s a logical fallacy to believe in something greater than God (since God is supposed to be greater than anything else) God must exist both in our minds and in the world.
- **Pascal’s Wager:** Should a God exist, it’s better to default to belief than to disbelief since the probability of being rewarded with eternal salvation rather than condemnation in hell is greater when one believes than disbelieves. In the alternative world, where God does not exist, the opportunity cost of believing in God is quite small, which means the potentially infinite cost/benefit of believing in God (should God actually exist) takes precedence.

## **Standardized Tests**

### *Standardized Tests Bad Metrics*

- Tests cover a narrow range of subjects, like grammar rules or the fundamentals of algebra. These tests don’t explore other aspects of students’ intelligence, like their creativity or artistic instincts. Thus, these tests provide an insufficient picture of a student’s true academic potential.
- Testing is a single-time, few-hour occurrence subject to wild and unpredictable fluctuations in student performance. Students might just be having a bad day. They might have a cold. Their mom might have just lost her job the day before. Other factors, like grades, aggregate student performance over the course of multiple years of academic study; in contrast, tests measure student aptitude in an unacceptably narrow window of time.
- Students feel the pressure of taking tests: their brain freezes up, they panic, and they don’t know how to conduct themselves. This is compounded by the testing environment—having a proctor staring over your shoulder, a clock ticking on the wall, and other students around you can amplify student anxiety. Thus, these tests are poor indicators of future success.
- Some students are just innately good at taking tests. Some students are innately less good at taking tests. This is because different students have different strengths – the problem is that being an “innately good test-taker” seldom translates to success in a rigorous college environment, since skills like work ethic and study habits matter far more than one’s ability to ace the SAT.

### *Standardized Tests Good Metrics*

- STs are universal and standardized, while other factors vary enormously (e.g., grades) within (e.g., different teachers) and between schools, which gives standardized data for colleges to consider when evaluating applications
- Testing companies (e.g., College Board, ETS) have an incentive to design these tests in a way that yields valuable information, since otherwise colleges wouldn't consider exams. Plus, if STs were bad metrics, colleges just wouldn't consider using them.

### *Standardized Tests Biased*

- Wealthy students can afford to pay for private tutors or prep resources. Wealthy parents with strong interests in maximizing their child's likelihood of admittance to an exclusive university frequently manipulate exceptions for students with disabilities; for instance, parents pay psychiatrists to diagnose their children with some form of learning disability in order to get longer testing time.
  - STs are proven to be discriminatory on the basis of race; minority groups are statistically less likely to perform well.
- Wealthy students tend to have better preparation coming into these tests in two regards. Better-quality public/private schools have higher-quality teachers and better resources. Plus, the curriculum often emphasizes ST prep.
- While poor students may have to work part-time jobs or look after younger siblings after school, wealthier students are free of such obligations, giving them more time to prepare for standardized tests. This matters because exams often just test how well a student knows the exam.
- Standardized tests must be standard and uniform and nature; this forces them to adopt a prescriptivist approach to language, discriminating against groups that don't conform to those lingual norms.

### *Standardized Tests Unbiased*

- STs are objective, which means it's easier to identify and correct for imbalances and there's less capacity for admissions officers' subconscious biases to influence their judgment relative to essays or letters of recommendation.
- STs are, trivially, standardized, which means that unlike other components of the admission system, they provide a universal standard in which all students have an equal shot at doing well. Plus, people know what material is likely to show up on STs, which allows them to prepare.
- STs provide a unique opportunity for students from disprivileged and disadvantaged backgrounds to showcase their academic potential through a high testing score, even when other aspects of their application (e.g., the opportunities they had in their underfunded public high school) are less competitive with applicants from wealthy backgrounds.

- There's been a proliferation of free resources (especially in the AI age) and *pro bono* ST tutors motivated by a sense of moral responsibility, as well as programs set up by high-scoring high school students to help struggling students with preparation for STs, as they're often looking to rack up volunteer hours for their résumé. Plus, fee waivers exist and allow students to take these exams for free.

### **SCOTUS on Affirmative Action**

- What happened in *Students v. Harvard* and *Students v. University of North Carolina*?
  - Students for Fair Admissions (SFFA) is a conservative political organization, chaired by Edward Blum, a former financial advisor and self-described “legal machine” responsible for nearly thirty anti-affirmative-action lawsuits. For years, SFFA—which represents an anonymous block of Asian-American students rejected from elite universities, particularly Harvard—has battled in the courts to end race-conscious college admissions practices. Eventually, two lawsuits—one against Harvard and one against UNC—were successfully appealed to the Supreme Court.
  - SFFA challenged UNC’s and Harvard’s affirmative action programs, which permit admissions officers to consider race as one factor among many in admitting students. Specifically, SFFA claimed that race-conscious admissions violated Title VI of the Civil Rights Act of 1964 and the Equal Protection Clause of the 14<sup>th</sup> Amendment.
  - Affirmative action largely began in the 1960s in the midst of the civil rights movement. After President LBJ’s Executive Order 11246 outlawed discrimination in public-sector organizations, many workplaces, municipalities, and universities embraced affirmative action as a tool for increasing diversity. But in *Students v. Harvard* and *UNC*, the Supreme Court ruled against affirmative action’s legality in a 6–3 split (UNC) and a 6–2 split (Harvard); Justice Ketanji Brown Jackson, a former member of Harvard’s Board of Overseers, recused herself.
- What does previous precedent say about the legality/constitutionality of affirmative action?
  - In 1978, Allan Bakke, a white student, sued the University of California Medical School at Davis. He claimed that the UC’s racial quota policy, which designated 16 of the medical school’s 100 seats for non-white students, was unconstitutional. In *Regents of the University of California v. Bakke*, the Supreme Court sided with Bakke and deemed racial quotas unconstitutional. But in a bitter 5–4 vote, the Court partially sided with the University of California, acknowledging that race could be *considered* as a factor among others.
  - In 1995, the Supreme Court ruled in *Adarand Constructors, Inc. v. Peña* that while affirmative action was, in general, constitutionally permissible, any and all race-conscious programs (in Adarand’s case, a government transportation

program that incentivized the hiring of minority-owned contractors) must pass the infamous “strict standard” test; under this standard, race-conscious policies must be shown to both (1) “serve a compelling government interest” and (2) “be narrowly tailored to further that interest.”

- In 2003, Barbara Grutter, a white student, sued the University of Michigan Law School for racial discrimination, claiming that their use of affirmative action was a violation of the Equal Protection Clause of the Fourteenth Amendment. In *Grutter v. Bollinger*, decided on a narrow 5–4 vote, the Court upheld race-based affirmative action by acknowledging that promoting racial diversity in universities is a “compelling government interest.” But *Grutter* also expressed reservations. The majority opinion, authored by Justice Sandra Day O’Connor, wrote that race-conscious admissions must “not unduly harm nonminority applicants” and “must be limited in time... The Court expects that 25 years from now, the use of racial preferences will no longer be necessary.”
- What is Roberts’s legal reasoning? Roberts’s majority opinion offers several legal arguments against affirmative action’s constitutionality:
  - Procedurally, Roberts first addresses whether the Court has jurisdiction to hear the case. UNC argued that SFFA was not a genuine membership organization; SCOTUS, alongside every other court to hear SFFA’s lawsuits, rejected that claim.
  - Substantively, Roberts then addresses the standards involved in assessing the constitutionality of race-conscious affirmative action. Per *Adarand*, affirmative action must pass a “strict scrutiny” review; indeed, as a previous Court opinion held, “[d]istinctions between citizens solely because of their ancestry are by their very nature odious to a free people whose institutions are founded upon the doctrine of equality.” Roberts then claims that affirmative action, as employed by UNC and Harvard, does not pass the standard of strict scrutiny.
  - First, Roberts finds the pro-affirmative-action rationale too amorphous. Per two important precedents—*Fisher v. University of Texas at Austin* and *Parents Involved in Community Schools v. Seattle School District No. 1*—the Supreme Court had previously demanded that affirmative action programs be “sufficiently measurable” and grounded in “more than . . . amorphous end[s].” Roberts, in the majority, holds that affirmative action cannot meet these criteria: “the question whether a particular mix of minority students produces ‘engaged and productive citizens,’ sufficiently ‘enhance[s] appreciation, respect, and empathy,’ or effectively ‘train[s] future leaders’ is standardless... The interests that respondents seek, though plainly worthy, are inescapably imponderable.” Thus, Roberts views measuring the benefits of affirmative action as “not sufficiently coherent” to pass the strict scrutiny test and criticizes Harvard and UNC for lacking clear “sunset date[s]” for their race-conscious admissions systems.

- Second, Roberts criticizes how affirmative action's *goals* do not (always) align with affirmative action's *means*. For instance, Harvard and UNC did not distinguish between students of South Asian descent and East Asian descent, nor did they differentiate Latin American students from different ethnic or racial origins. To Roberts, that is deeply problematic as "the mismatch between the means respondents employ and the goals they seek [make it] especially hard to understand how courts are supposed to scrutinize the admissions programs that respondents use." And because "[c]ourts may not license separating students on the basis of race without an exceedingly persuasive justification that is measurable and concrete enough to permit judicial review," Roberts deemed that neither UNC nor Harvard had provided such a justification.
- Third, Roberts held that race-conscious admissions practices violated the longstanding twin commands of the Equal Protection Clause: "that race may never be used as a 'negative' and that it may not operate as a stereotype." Here, Roberts's Supreme Court agreed with the First Circuit Court of Appeals, which found that Harvard's affirmative action policies had reduced admittance of Asian-American students by 11.1%—lending credence to fears that race-conscious admissions may, in some cases, treat race as a "negative." Roberts continues: "College admissions are zero-sum. A benefit provided to some applicants but not to others necessarily advantages the former group at the expense of the latter." As such, Roberts contends that affirmative action, in its current form, treats certain races as *de facto* negative characteristics. More importantly, Roberts expresses fear that race-conscious admissions begets racial stereotyping: "[Harvard and UNC believe] there is an inherent benefit in race *qua* race—in race for race's sake." Quoting *Miller v. Johnson*, Roberts writes "when a university admits students 'on the basis of race, it engages in the offensive and demeaning assumption that [students] of a particular race, because of their race, think alike.'" As such, Roberts finds affirmative action to be an unlawful form of discrimination, concluding: "Both [affirmative action] programs [at Harvard and UNC] lack sufficiently focused and measurable objectives warranting the use of race, unavoidably employ race in a negative manner, involve racial stereotyping, and lack meaningful endpoints."
- Roberts makes two important exceptions to the Court's prohibition on considering race in college admissions: (1) Military colleges are not covered by the ruling (and the question of race in military college admissions is hence unaffected by *SFFA v Harvard and UNC*). (2) Students may still discuss experiences related to their racial or ethnic identity in their personal essays.
- What has happened in other cases where universities were barred from considering race in admissions decisions? What alternatives might universities turn to?

- In 1996, Californian voters approved Proposition 206, prohibiting universities from considering race in college admissions. The consequences were immediate: UC Berkeley and UCLA saw a shocking 60% drop in enrollment from under-represented minorities. The UC system's amicus brief in the SFFA case says as much: "After Proposition 209 barred consideration of race in admissions decisions at public universities in California, freshmen enrollees from underrepresented minority groups dropped precipitously at UC." A "chilling effect" set in, where applications from under-represented communities dropped (particularly at the most selective UCs); lacking a "critical mass" of non-white students, many hesitated to even apply. However, since 1998, Californian universities have made progress in using race-neutral alternatives to increase campus diversity, including outreach programs to low-income students, implementing a holistic admissions process, eliminating consideration of standardized testing, and granting automatic admission to top-performing students. In total, these programs have cost some \$500B—yet the UCs still suffer from a lack of diversity, with a paltry 3% of Berkeley's 2022 admitted class self-identifying as Black. Public universities in Texas have embraced similar admissions tactics, aimed particularly at rectifying class-based injustices. In 2006, Michigan voters supported Proposition 2, which struck down race-based affirmative action. Since then, the University of Michigan has seen Black undergraduate enrollment collapse by over 50%. Similarly, in 1998, Washington Governor Gary Locke issued an executive directive ending affirmative action, causing URM enrollment at the University of Washington to plummet to just 7%.
- What alternatives exist? First, universities might consider class-based affirmative action; but dozens of statistical simulations suggest that racial inequality will persist, since there are numerically more white students in poverty than URM students in poverty. Second, universities might consider automatic "percentage plans," under which top-performing students (e.g., the top 10% of each high school's class) are guaranteed admission to exclusive universities; but this proposal is likely infeasible at highly selective colleges, like Ivies, and racial disparities persist in high schools too. Third, universities might deploy "proxies," like considering students' zip codes or high schools, to increase recruitment from minority communities. Fourth, universities might launch targeted campaigns to increase representation against URMs, like partnering with disadvantaged high schools and boosting financial aid for low-income applicants. Fifth, universities will likely continue their test-optional/test-blind policies. Sixth, universities might end legacy admissions; when JHU did so in 2014, first-generation applicants saw a 10% spike in their representation on campus. Sixth, universities will almost assuredly exploit the ruling's major loophole: students can still discuss race in

their personal essay. In fact, Harvard's official statement on the ruling took just three sentences to explicitly quote that clause of Roberts's opinion.

- What's next?
  - Banning affirmative action may worsen diversity efforts elsewhere. Scholarships targeted at minority students may be cut back, as colleges fear litigation. Corporate DEI initiatives may be cut back not only because of similar fears of costly lawsuits but also because the Court's ruling lends credence to the conservative mantra that racism is no longer a concern in contemporary America.

## **Dollar Hegemony**

### Context on US Dollar Hegemony

- **Original sin:** most (especially developing) countries are not able to borrow abroad in their domestic currency. Three reasons for this:
  - (1) Network effects: dominant reserve currencies (USD/EUR), have established dominance so investors trust these currencies, already have assets denominated in these currencies, and trade in foreign capital markets that primarily use these currencies.
  - (2) Transaction costs: given that most investors are located in Western economies (e.g., London, Chicago, NY) investors generally trade/invest through Western currencies; hence, it's cheaper for investors to buy bonds in these global currencies (especially since they often liquidate assets and receive these global currencies) since they don't have to exchange global currencies (e.g., USD) for local/domestic currencies (e.g., ZAR).
  - (3) Investors are deeply mistrustful of the currencies of developing governments and don't want to lend in a currency that has the potential for volatility. A few reasons: (1) Western investors perceive these countries as macroeconomically unstable and subject to populist swings. (2) EMEs tend to be cash-strapped so their central banks aren't well equipped, which makes it hard to stop foreign currency speculators from shorting/speculating on your currency.
    - **Empirically, \$11.4 trillion** worth of debt around the world is denominated in the US dollar.
- **USD hegemony:**
  - (1) The US dollar is the dominant reserve currency: 61.3% of FX (foreign exchange) reserves are denominated in the dollar; this share has declined from 71% of all global reserves in 2000, but still far surpassed all other currencies including the euro (21%), Japanese yen (6%), British pound (5%), and the Chinese renminbi (2%).
  - (2) The US dollar is dominant in global trade: 96% of trade in the Americas is conducted through the USD, 74% for the Asia-Pacific, and 79% for all other non-European countries.

- (3) The SWIFT banking system clears most financial transactions around the world, and the USD is the dominant currency used. Moreover, ~60% of assets and liabilities (including demand deposits and loans) held by foreign financial institutions are denominated in the USD. A similar proportion of foreign currency debt is also issued in the USD.
- (4) In times of crisis, investors overwhelmingly trust safe-assets denominated in the dollar. This is particularly because the Federal Reserve has historically implemented currency swap lines with foreign central banks to allow foreign economies to access dollars in times of panic/recession; moreover, the Fed has established a permanent repo facility to enhance foreign access to dollar-denominated assets. While the ECB has implemented similar measures, those set up by the Fed have seen substantially more usage.
- (5) Most global commodities, such as oil, are priced in dollars (e.g., petrodollars), creating consistent demand for the USD.

### Dollar Heg Bad

- The most likely counterfactual to dollar hegemony is SDR hegemony. A few reasons this is the most likely historical alternative to dollar hegemony:
  - First, SDRs (special drawing rights, issued by the IMF) are considerably more stable than the dollar because they're pegged to a basket of currencies, which makes their value much less volatile compared to just the dollar. This would have made them a natural alternative to the system of dollar hegemony.
  - SDRs were poised to become the global reserve currency if it weren't for the US exercising its veto power in the IMF to block the adoption of SDRs as the alternate currency for pricing resources. In an alternate world, it's likely that this would have been the most plausible route to global development.
  - Third, there are costs of being a global currency hegemon, like having to increase the value of your currency to meet global demand, which is bad for exports, so it's likely in the absence of US hegemony that no other country would have seriously contested for the position of a "global currency hegemon," instead deferring to SDRs.
- **The dominance of the USD threatens global macroeconomic prosperity.** A few ways in which this happens:
  - First, eurodollars: the vast majority of global trade (~80%) and the vast bulk of foreign FX reserves (~60%) are done through the dollar. The problem is that while the Federal Reserve has oversight and regulatory control over US dollars deposited in US banks, many US dollars or dollar denominated assets are held by foreign banks in places like Asia and Europe. This is bad in two ways:
    - One, dollarized assets in the US are subject to regulations by the Federal Reserve; for instance, when you deposit dollars into a US bank, that bank

is required to keep some of those dollars in reserve. However, foreign banks aren't subject to the regulatory influence of the Fed, which means that they're able to behave in more risky ways, like keeping far smaller portions of dollarized deposits in reserve; moreover, foreign banks don't qualify for deposit insurance from the FDIC, which makes dollar-denominated demand deposits less secure and more prone to bank runs. This also undercuts the effectiveness of monetary policy adjustments by the Fed, since so many US dollars are used/held overseas in banks that aren't subject to the jurisdiction of the Fed/SEC.

- Second, foreign (i.e., non-American) banks possess assets/liabilities denominated in dollars, but the physical collateral behind those assets/liabilities—that is, actual US dollars—is located in the US. The problem becomes this: as foreign banks provide dollarized loans or make dollarized investments, the credit multiplier effect kicks in—that is, the eurodollar money base expands as bank balance sheets grow with more and more dollarized assets backed by nothing more than IOUs, since the collateral backing those assets isn't readily available to banks. Particularly during periods of economic crisis, this eventually creates a dollar funding gap: for example, as risk-averse depositors withdraw their dollarized assets, banks are confronted with a dollar liquidity shortage, since they don't have enough dollars to cover for their liabilities and they don't have physical collateral, i.e., actual dollars, to secure their dollarized loans and investments. This means that the collapse of even a single financial institution reliant on eurodollars can create regional/transnational financial panic; for instance, that's why during the 2008 GFC, many European banks faced dollar shortages.
- Second, global contagion: the global dependence on the dollar means that financial crises in the US have ripple effects that affect countries all around the world, which means that regional recessions become global recessions. This happens in two ways:
  - One, the SWIFT banking system's reliance on the dollar causes shocks to the US financial system to spread outward, dragging other countries' financial systems down.
  - Two, currency volatility and currency runs have the potential to spread global financial contagion; for instance, the fact that most natural resources and resource commodities are priced in the dollar (for instance, the dominance of the petrodollar system) means that in periods of dollar appreciation, it's uniformly harder for resource importers to access the resource inputs necessary for stimulating economic growth.

- Third, dollarized debts: approximately 80% of all cross-border loans are denominated in dollars, and around two-thirds of sovereign debt in the developing world is dollarized. This is because the dollar is the world's dominant currency and therefore benefits from network effects, making it the most attractive currency for foreign creditors to lend in. The consequence of this is that most cash-strapped developing economies rely on dollarized debts to secure the capital needed for things like infrastructure projects and social welfare programs. Two problems arise as a direct implication of dollar hegemony:
  - One, in times of global economic crisis and panic, the dollar appreciates because investors have a disproportionate degree of faith in the stability of the dollar. This means that developing economies' debts balloon since their domestic/local currencies depreciate relative to the dollar, thus making it harder and more expensive to acquire US dollars—for instance, during the 2008 recession, the value of the dollar soared by 15.5%; however, insofar as this is *already* happening during periods of economic contraction, EMEs are put in a position where they're far more likely to default on their debts—for example, during the 1980s, high interest rates in the US caused a sharp appreciation in the value of the US dollar, which quadrupled the sovereign debt burden facing many Latin American countries like Argentina and increased the total amount of foreign debt owed by these countries by north of 1000%. Similarly, in 2018, when the US dollar appreciated considerably, Turkey's dollarized debts grew uncontrollably to twice the level of Turkey's FX reserves.
  - Two, dollar appreciation in times of crisis doesn't just induce sovereign debt crises, like in the context of South America's "Lost Decade," it also triggers bank insolvency and runs on financial institutions since foreign, non-American banks, especially those in developing economies, take deposits in local currency but owe debts to foreign creditors denominated in dollars. This engenders *fears* of insolvency, thus causing debilitating runs on banks
- Fourth, inappropriate US fiscal policy: the privilege enjoyed by the perks of dollar hegemony are exorbitant: since the global economy is heavily dependent on the dollar, the US government is able to take on debt extremely cheaply and US firms are able to accrue massive debt burdens at relatively low interest rates. This happens in part because of the US economy's stability, but also and more importantly because of the dollar's nearly-unrivaled status as the global reserve currency; that's a large part of the reason why the US runs the largest current account deficit in the world. The problem with this cheap access to credit is that it facilitates asset bubbles within the US: consumers can take on unhealthy debt burdens and subsequently spend beyond their means, before contractionary

interventions by the Fed inevitably burst the bubble and bring the overheating economy back down.

- Fifth, currency pegging: around the world, sixty-six countries either recognize the dollar as legal tender or peg their local currency to the value of the dollar. This is bad because US monetary policy is often responsive primarily to the issues facing the US economy, which means that US interest rates—which must be reflected by the countries using a fixed exchange rate regime tied to the USD—are often inappropriate for other countries
- **The hegemony of the US dollar empowers US neo-colonialism.**
  - First, the US dollar's dominance in the global economy gives the US unique abilities to leverage the SWIFT banking system in unilateral ways; for instance, after Trump abandoned the JCPOA in 2018, Iran was shut off from accessing the world's largest electronic bank transfer system, which meant that other countries, like those in the EU, were barred from trading with Iran. This caused Iran's GDP to contract by 4.8% the following year and caused massive depreciation of the rial. Given that the US has neo-colonial interests on either side, it's able to bypass the negotiations/discussions needed to implement multilateral sanctions under their side through the weaponization of dollar hegemony.
  - Second, the dominance of the petrodollar forces the US to prop up its OPEC allies to ensure that powerful oil producers, even when they are of little strategic value to the US, don't ditch their use of the petrodollar. That partially explains why the US is so willing to provide extensive military aid to Saudi Arabia, despite Aramco exports to the US constituting less than 6% of all US petroleum, or why the US has historically become involved in conflicts like the invasion of Kuwait or the invasion of Iraq.

## **Residential Zoning**

### Repeal Zoning Laws

- **Residential zoning laws artificially create housing affordability crises.** There are four ways in which these zoning laws cause housing and rent prices to increase:
  - First, zoning regulations artificially constrict the supply of housing: for instance, when a city bans high-rise apartment complexes from being built or disallows the construction of a new residential facility, there's less housing available, which therefore drives prices up.
  - Second, the costs of regulatory compliance are quite high: in order for land developers to build new property, they need to get permission from local governments before they can begin building. The costs of doing things like filing for permits or getting inspections from local government agencies raises the cost of residential construction projects; this cost subsequently gets passed onto the consumer.

- Third, prior to the initiation or completion of housing projects, the uncertainty generated by zoning laws—like whether or not a newly proposed residential building will be approved under zoning regulations—forces land developers to preemptively raise prices.
  - The outcome of these four claims is that zoning regulations make property artificially more expensive. This looks like Manhattan, San Francisco, and San Jose residents paying nearly 50% more for rent compared to cities that have fewer zoning restrictions, or residents in Boston being forced to fork over nearly a third of their monthly income to cover housing expenses.
- In the counterfactual, reduced zoning restrictions increases property development and drives prices down. This makes housing more affordable, especially for the poor. Furthermore, reducing housing prices allows people to spend more money on their local community, spurring business growth and job creation. Furthermore, we limit gentrification: by increasing the supply of housing, we reduce the displacement of low-income renters as demand for property increases—whereas on their side, those families are forced out
- **Residential zoning laws worsen macroeconomic development.** Five mechanisms.
  - First, zoning restrictions exacerbate urban sprawl. There's often strong demand for housing in urban areas since job opportunities are more abundant in those areas. However, zoning restrictions limit affordable housing in those places.
    - Consequently, people still want to live in the city, but can't find housing in the city itself, forcing them into overcrowded slums and suburban areas on the fringes of cities. This has three impacts: One, urban sprawl reduces quality of life for those living on the outskirts: they face longer commute times, decreased access to centralized public utilities, and worse health outcomes as a result of increased dependence on private transportation. Two, urban sprawl harms the environment: biodiverse ecosystems neighboring cities get bulldozed to allow for new construction projects, people can't use public transit because the areas bordering cities are spread out so they're forced to rely on private systems of transportation like personal automobiles which are more carbon intensive, and runoff into local waterways is common due to people's usage of pesticides and harsh chemicals on their lawns. Three, urban sprawl imposes a heavy fiscal burden on the state: infrastructure and transportation costs go up in sprawling developments because maintenance costs are higher; for instance, while an electric grid in a compact city services many consumers with relatively little need for maintenance, an electric grid in a less-dense, less-compact neighborhood requires lengthier power lines and thus higher maintenance and repair costs.

- Limiting zoning laws reduces all of these harms: we allow more multi-unit housing to be built in cities, and facilitate new housing projects, and also reduce construction costs. Therefore, people can live closer to the heart of a city
- Second, even if OPP could prove that urban sprawl doesn't occur as a consequence of zoning requirements, these zoning regulations make urbanization substantially harder. The reason is simple: especially in poorer countries, there's concentrated demand for housing in major urban areas because jobs are abundant. The problem is that zoning regulations sharply reduce opportunities to migrate to urban areas by constricting housing supply. Thus, mass urbanization is easier on our side when the less-regulated nature of the land development industry facilitates the construction of greater residential properties in urban areas.

This is good for four reasons:

- One, urban areas more efficiently provide public services like healthcare or education because population density is greater which means more people can access those services; moreover, urbanization enables government transportation services like subways or buses to access economies of scale by providing for more people at a reduced cost.
- Two, urbanization attracts foreign direct investment because centralizing many workers in a single city allows companies to access larger labor pools, driving labor costs down. Additionally, urbanization centralizes economic resources in smaller areas when the supply of labor is high because (1) that means they can access cheap labor, and (2) that means they'll be able to hire the best talent available since they have so many hiring options; concentrating lots of people in densely populated urban areas achieves this under our side. FDI is good because it creates jobs, spurs innovation in the domestic sector by creating new commercial market pressures, boosts the export sectors of developing countries, allows for the transfer of technology into poorer nations, and develops human capital when foreign companies do things like train workers or provide them with education.
- Three, counterintuitively, urbanization is good for rural communities in four respects: (1) When individuals are able to move from impoverished rural areas into wealthier urban areas, the relatively higher purchasing power they acquire in more prosperous urban areas enables them to send remittances back home, which empowers substantial growth in communities suffering from the poverty trap. These remittances are likely to occur because even when people move into urban territories, they often have communities back home in rural provinces that they love and care about. (2) Brain circulation is easier when rural-to-urban migration is

more possible: people most commonly leave rural areas to get skills, training, and experience in urban areas, but subsequently return to the families and communities they temporarily left behind. This allows rural areas to benefit from a higher-skilled and more economically productive workforce in the long run. (3) Private companies have the incentive to provide services in larger, dense urban areas, such as by running private hospitals or operating bus lines, because the high number of potential consumers makes the private provision of these services profitable; importantly, private companies are only willing to do this in urban areas, since the returns are too small and the maintenance costs are too high in less-densely populated areas, like in rural or suburban communities. This is important because under our side, when more people are \*\*able\*\* to find housing in urban areas, the government is able to spend more of its taxpayer-funded budget on rural areas since more people can access services provided by the private sector. (4) Rural-to-urban migration is actively good because it increases social contact between the wealthy urban elite and the rural poor, which helps to break down predisposed classist beliefs held by the politically influential ruling class.

- Four, urbanized centers of commerce are uniquely able to access economies of agglomeration under our side: for instance, shipping costs are lower when multiple companies that sell intermediate products to each other are all able to be located in the same city.
- Third, zoning regulations create distortions within the labor market: when the housing market is artificially constricted by interventionist government regulation, people can't move into the neighborhoods best suited to their specific economic needs. This is important because most jobs, even in a post-COVID world, require people to live near their job so that they can commute to work. Limitations on housing make it harder for people to work at the job that's best suited for their needs, which means that there's inefficiency within the labor market because they physically cannot relocate to the job that would make the best use of their talent. This is fixed under our side, which enables greater efficiency in labor matching.
- Fourth, zoning restrictions induce crippling housing bubbles: in the housing market, bubbles arise when the demand for housing falls into disequilibrium with the supply of housing, causing housing prices to appreciate uncontrollably prior to "popping" due to macroeconomic pressures like rising interest rates, decreasing levels of purchasing power, or falling wages. Zoning regulations make this far worse because they artificially constrict property development, which means that skyrocketing housing prices can't be mitigated by simultaneous spikes in housing development in areas hit the strongest by appreciation in the value of real estate.

Housing bubbles will happen on either side in this debate due to exogenous factors like low interest credits or periods of credit boom, but they are far more disastrous under their side because spikes in demand aren't accompanied by the spikes in supply that happen under our side. This may be a technical argument, but the impacts are real and devastating:

- One, the bursting of housing bubbles, like in 2008, causes people to lose their life savings, their primary economic assets, and the livelihoods, homes, and communities they've come to value.
- Two, the increasing securitization of commercial and residential real estate assets through financial instruments like mortgage-backed securities means that when housing bubbles pop under our side, the impact on financial and capital markets is reduced because the crash is less intense and fewer peoples' mortgages fail. This limits contagion in times of real-estate induced crisis.
- Three, financial recessions are less likely to happen under our side because the relatively higher value of real estate under their side incentivizes banks to issue sub-prime, risky mortgages because they can subsequently bundle those highly-valued assets and sell them to other investors. On the margins, this increases systemic risk within the financial sector because housing prices are higher and more lucrative under their side, which therefore creates a greater marginal incentive for banks to provide these risky loans. OPP might say regulations imposed on the financial sector solve for this harm, but banks have massive capacity to lobby against or find loopholes in these sorts of regulations.
- Fifth, zoning restrictions limit the aggregate amount of residential housing construction projects that can be completed. This is necessarily contractionary because the fewer residential properties that get built, the fewer the job opportunities for people employed within the construction industry. This is harmful because manual labor jobs within the industry are often vitally important for impoverished or under-educated workers, who are able to access better employment and better compensation under our side of the house when reduced levels of government regulation enable a greater degree of construction to be completed
- **Residential zoning laws empower government discrimination and abuse.**
  - Historically, zoning regulations have been used to lock marginalized communities out of accessing property and driving up rent prices for groups that have faced government-sanctioned discrimination. The way this happens is simple: insofar as zoning restrictions vary across different geographic lines, governments are able to use zoning laws to lock the poor and the discriminated-against out of affordable property, especially because zoning laws are \*\*most often\*\* influenced by

affluent individuals who have far more political and social influence over the lawmaking process. That's why the racist and classist mantra of "Not In My Backyard" has become so inextricably connected with zoning laws: the rich and powerful use zoning as a weapon of discrimination, which exacerbates issues of gentrification and prices low-income groups out of affordable housing, thereby worsening racial and ethnic segregation.

- OPP might say governments can always find other ways to engage in this discrimination, but the relative complexity, misunderstood, and under-scrutinized nature of zoning laws enables corrupted governments beholden to the interests of the wealthy to engage in these sorts of behaviors with limited pushback. Moreover, even if there are other ways to discriminate against marginalized communities under our side, those measures \*\*also\*\* exist on their side, which means that these alternate measures can co-exist additively with zoning regulations

### Keep Zoning Laws

- **Framing:** Zoning is most common in urban areas: less demographically dense communities have far less of a need to implement zoning laws because the relative abundance of land means that regulation is less needed, and there's virtually no meaningful benefit that comes from the implementation of zoning. Further, urban areas have far greater regulatory infrastructure to enforce zoning permits than poorer rural areas.
  - There's going to be affordable housing outside cities, the question is just where housing is affordable. Under both sides, housing prices are likely to be relatively inexpensive in rural or suburban communities. The difference is that under their side, residential properties in cities are cheaper, whereas under our side, urban housing is more expensive.
- **Zoning laws improve economic development.** Four ways in which this happens.
  - First, scaling back zoning laws makes urbanization significantly more likely, especially in emerging and developing economies, because the supply of multi-unit housing within major urban areas goes up on their side when regulation via zoning is more lax. This push to urbanize under their side is harmful for development. Several reasons for this:
    - One, urbanization is harmful for vulnerable, rural communities for three reasons: (1) Capital flight occurs when people move out of rural areas for wealthier regions, thus exacerbating income inequality, decreasing the tax bases used by rural governments to fund things like public schools or welfare programs, and limiting aggregate demand for locally produced goods and services within these impoverished areas. (2) The individuals who are the \*\*most likely\*\* to leave for urban areas under their side are

those with marketable skills and educational backgrounds, which means that the poor and the vulnerable are left behind. This means that the doctors, engineers, and lawyers of lower-income communities flee for the cities under their side, whereas that's harder under our side due to the limited supply of urban housing. (3) Rural areas have, on the margins, far less political capital under their side when the most politically influential members of the community migrate to urban centers; moreover, rural areas have less political sway when there are fewer votes living within them, which shifts the concentration of politicians towards cities.

- Two, urbanization creates a harmful race to the bottom: when more people flock to urban areas, the supply of labor skyrockets, causing wages and benefits to be slashed, unions to be broken up, and the employee-employer asymmetry of power to shift in favor of the employer.
- Three, counterintuitively, urbanization actually reduces foreign investment in three respects: (1) Foreign companies are often quite racist since they're run by privileged elites who come from wealthy backgrounds; these executives are less likely to make their companies do things like set up factories or establish a commercial presence in a city when that city is perceived as being inhabited by "undesirable" or "dirty" migrants from rural areas. (2) When population levels within urban areas surge, the strain imposed on public services often causes an increase of crime, which deters foreign companies from entering for fear of their shopfronts being destroyed or their employees being harassed; note that even if this is just a racist and false perception, it's still a perception that exists and a perception that decreases FDI under their side. (3) Trivially, repealing residential zoning laws while keeping commercial zoning laws in place means that there's less physical space and land for foreign companies to do things like build factories on.
- Four, when people flood cities, especially in the absence of zoning laws, overpopulation often becomes commonplace due to the strain imposed on public infrastructure and private services, which results in overcrowding, poor sanitation, and higher rates of crime.
  - All of this analysis proves that urbanization is economically harmful for development, especially for poorer nations. This is limited under our side when the presence of zoning laws in urban areas makes migration into cities harder and more prohibitively expensive.
  - Second, zoning laws make speculative housing bubbles far less likely to arise. On both sides in this debate, there will always be exogenous factors, like low cheap interest rates or high levels of consumer confidence, which will cause demand for

housing to rise, thus making the value of residential real estate appreciate, especially in high-density areas like megacities. PROP might say that housing laws are bad because they constrict the supply of housing during bubbles: counterintuitively, this is good. When the value of residential property is increasing rapidly, commercial real estate developers have an incentive to increase construction; the problem, though, is that during these “boom cycles,” there’s a time delay—as prices rise and as real estate developers believe that those prices will continue to rise into the future, developers build more property, but those properties can’t be completed for months or even years. In this intermediate time period, real estate developers go into huge amounts of debt to pay off contractors because they anticipate that, once the properties are completed, they’ll be able to make lots of money by selling them for high prices because the housing market is roaring and demand for housing is high. The problem is that inevitably, the bubble bursts: interest rates are jacked up by central banks wary of the housing market overheating and confidence levels fall as macroeconomic exogenous shocks hit financial markets. The problem is that in these “bust” periods, all of this speculative housing development immediately fails because real estate developers took on debt to pay off contractors in anticipation that once properties were sold, those debts could be paid off. When property values plummet when the bubble bursts—which is inevitable due to stochastic market shocks—these debts cannot be paid off because housing units can’t be sold, and even if they can be sold, they have to be sold at substantially cheaper prices than what developers had initially projected several months prior. Therefore, housing bubbles are worse on their side because speculative housing investments are less likely to happen on our side when zoning laws restrict property development. This is good for several reasons:

- One, when real estate companies become insolvent, they have to lay off employees and shut down housing projects prior to their completion, which is harmful for workers and home-buyers alike.
- Two, banks are more likely to fall into insolvency when their loans aren’t paid back by massive property developers with huge amounts of outstanding debt. This is also harmful because it exacerbates the oligopolistic nature of the real estate development industry: insofar as the fixed costs of machinery, equipment, and materials are high within the industry and insofar as housing construction accreditation programs are expensive, there’s already a limited number of firms in the residential property construction industry. This gets strictly worse under their side when smaller property developers are more likely to fail compared to larger firms, which makes the market even more monopolistic in nature, which reduces consumer options.

- Three, when real estate companies can't pay back their debts, depositors fear that banks — which operate on a fractional reserve system whereby there's always less money stored in bank reserves than needed to provide cash to depositors seeking to withdraw their funds — will go under when large-scale property developers don't pay them back. Thus, this results in financially debilitating bank runs whereby depositors rush to banks to take out their deposits before banks go under; this means many depositors lose money, loans are called in, and the supply of loanable funds shrinks instantaneously, thus causing interest rates to go up.
- PROP might say “property speculation happens in OPP’s world too.” This is a comparative claim: speculative housing development is less possible under our side due to (1) the geographic restrictions on \*\*new\*\* residential construction projects, and (2) the costs associated with zoning regulatory compliance.
- PROP might say that property developers won’t irresponsibly invest into speculative housing projects because they know such investments are risky, but that’s untrue for two reasons: (1) Especially early on, it’s often difficult to tell whether or not the housing market is truly in a “bubble” phase due to the nearly infinite number of endogenous and exogenous factors that affect housing values, so even if property developers were risk-averse, they can’t always behave in a non-risky way due to information asymmetries and the uncertainty surrounding whether rising housing prices can credibly be called a “bubble.” (2) Property developers are often highly short-termist because they rely on support from external investors who highly scrutinize quarterly earnings reports and other short-term metrics of financial viability.
- Third, PROP’s policy of drastically limiting zoning laws is likely to induce severe financial crisis: when zoning regulations are rolled back, the supply of housing rises, causing property values to decline in value. This precipitates crisis in three ways:
  - One, many middle-class individuals own multiple properties to generate secondary streams of income. The problem is that when housing values begin to crash under their side as zoning regulations are rolled back, these individuals lose money, which means that they lose out on the rainy-day fund money and contingency capital they had planned and budgeted for.
  - Two, banks are likely to face a liquidity crisis under their side. The reason for this is twofold: (1) When housing values start to crash under their side since they’re not propped up by residential zoning laws, landlords can’t charge as much for rent. While, on face, this appears good, the consequence is that landlords can’t service their debts and pay back their

mortgages because rent revenue falls. This means that the mortgage loans made by banks heavily invested into the real estate market go into default, which means that banks lose out on money they could have used to make other investments, pay back their own debts, or loan out to businesses. (2) Mortgage-issuing banks often seize houses as collateral when borrowers default on their mortgages. In PROP's best case, even if rates of bankruptcy were the same on both sides, the difference is that under their side of the house, the collateral that banks seize when their debtors can't make mortgage payments is less valuable. This means that the harms of bankruptcy are amplified on their side because banks can't recoup the losses of failed mortgages by flipping the underlying residential properties that secure those mortgages since their values have fallen. Thus, banks face a debt crisis on two levels under their side: not only are their mortgages less likely to be paid back, the collateral assets they possess become less valuable. This has a series of harmful impacts: (1) Banks are likely to fail under their side, especially smaller banks which have limited liquidity buffers, which increases the consolidation of larger banks, limits consumer choice, and causes default to spread through the banking sector given how interconnected banks are to each other. (2) The failure of even a few banks creates a signaling effect to markets that the health of the financial sector is in jeopardy, which means that credit markets freeze and inter-bank lending halts due to fears of further bank collapse. (3) Depositors fear bank insolvency and rush to withdraw deposits, thus triggering bank runs, which further destabilizes financial institutions.

- Three, aggregate levels of consumer spending on the broader economy are likely to fall under their side. As context, note that pension funds are increasingly invested in the real estate market because since the Great Recession, central banks have consistently kept interest rates low, which has forced massive pension funds to invest into more illiquid assets like real estate. When the real estate market, which pension funds have invested heavily into because of its historical stability and predictability, falls in value, the elderly are less likely to get their pension payments on time, and those of working age worry that pension funds will dry up before they can pay out many years in the future, which causes people to spend less in the present moment in order to save for their retirement. This means that as the housing market falls in value under their side, so too does consumer demand, which means that businesses are likely to face declining revenues and increased rates of bankruptcy. PROP might say people don't understand the nuances of the real estate market or don't track where their pension fund invests, but people care enormously about

their financial prospects for retirement and therefore tend to scrutinize where their money is invested quite closely.

- Fourth, zoning laws enable beneficial forms of centralized economic planning and productive urban planning. The reason why the government is better at allocating land than the private sector is twofold: (1) Governments have legal and constitutional duties to do things like protect people's fundamental rights; comparatively, the private sector is exclusively interested in profit. (2) Municipal governments are democratically accountable to the will of the electorate, which means that politicians have incentives to cater to the needs of voters, whereas private land developers, left unchecked by zoning regulations, have a nearly-exclusive incentive to cater to the wealthy. Empirically, that's why Houston, which has virtually no zoning laws, is even more segregated than many other cities that feature extensive zoning requirements. This is important: at the end of this debate, PROP might give you a list of plausible reasons why zoning regulations might be bad, whereas we'll give you a list of plausible benefits why zoning regulations might be good.
- **Zoning laws benefit local communities.**
  - First, zoning laws are vitally important for protecting cities: these laws allow communities to do things like ensure that strip clubs aren't put right next to elementary schools, or that apartment complexes aren't built immediately adjacent to busy, noisy gas stations. The reason why this particular use of zoning is likely to be true is that zoning laws structurally likely to be well-intentioned: this is because politicians are democratically accountable to their constituents, which means that zoning laws are likely to reflect the negative externalities of placing certain types of property in certain areas, even if the free market would deem those decisions to be efficient.
  - Second, in principle, zoning laws are legitimate because they are shaped and molded by local communities with interests in aligning the urban development of their neighborhood with their preferences. Given that there exists no objectively correct moral framework, we ought to defer to voters and constituents to determine what sorts of laws ought to be passed by aggregating their preferences. We accomplish that under our side of the house through the mechanism of zoning.
- **Zoning laws benefit historically marginalized communities.**
  - First, counterintuitively, zoning laws make housing, on aggregate, more affordable. PROP might point to specific examples where zoning has caused housing prices to go up, but they can't win this debate by just playing example tennis. There are three structural reasons why zoning makes housing more affordable and accessible:
    - One, zoning laws make property values higher due to the limit on the housing supply. This is good because when property values go up, so too

do property tax revenues, which gives the government more money to do things like provide housing subsidies or create affordable housing projects. Thus, even if \*\*urban properties\*\*, where zoning laws tend to be enforced at the highest rates, become more expensive under our side, that enables the government to produce affordable housing elsewhere through increased tax revenue.

- Two, people who own secondary properties often rent those properties out and then sell them once their value has risen. Under their side, however, property values collapse, which forces property flippers to raise rent prices to compensate for the reduced value of the underlying real estate.
- Three, zoning laws reduce uncertainty about the future value of property because the new amount of construction that can be permitted in any given neighborhood is regulated by clear and consistently-applied zoning laws. This is significant because in the counterfactual, when zoning laws are heavily rolled back, banks are likely to jack up interest rates on mortgages to hedge against the risk of property values falling in the future due to higher levels of construction that would have otherwise been prohibited by zoning restrictions. The consequence is that rent prices go up under their side because even when housing properties decline in value, mortgage interest payments remain high. This harms the most vulnerable groups, who are often too poor to outright buy housing and instead must rent out apartments.
- Second, zoning laws allow for more equitable economic development within cities internally. The reason for this is simple: on both sides in this debate, wealthy individuals will have interests in living in the city, such that they can access private amenities or commute more easily to their corporate jobs which tend, on average, to be located in urban centers of commerce like London, Hong Kong, or New York. As PROP is likely to argue, though, the quantity of housing that's available in the wealthiest parts of cities is limited due to zoning laws under our side of the house. This means that under our side, wealthy individuals are likely to move into poorer or less developed regions of cities because even if they can't live in the \*\*most\*\* exclusive neighborhoods or the \*\*most\*\* expensive districts, they still want to enjoy city life. This is good because it spurs economic activity in poorer areas: it means that rich people spend money on local restaurants, shop at local stores, and have a greater degree of humanizing social contact with poorer or less well-off individuals. Comparatively, under their side of the house, the absence of zoning laws means that wealthy areas are overwhelmingly likely to be the sorts of areas that get developed and get built up since that's where there's the greatest marginal return for real estate developers. This means that under their side, there's significant capital flight \*\*out of\*\* the

poorer areas of cities, which makes those areas less productive and less prosperous.

- Third, PROP might say that zoning laws enable segregation and worsen racial discrimination. Even if this is true, the problem is that zoning laws are merely the symptom of the underlying root cause of racism and classism, which doesn't go away under their side. This is important because it means that in instances where zoning laws are implemented by the rich and powerful to block marginalized communities from accessing housing in their neighborhoods, those wealthy individuals are likely to find other, alternate ways of accomplishing this same, identical goal under their side, just through different mechanisms. For instance, wealthy communities under their side might simply revert to the use of deed restriction.

## **Substantive Matter File**

Football Leagues	117
Football Club Ownership	118
Proselytization	119
Terrorism	125
Transnational Criminal Organizations	127
al-Qaeda	129
Marriage	133
Economic Technocrats	134
War Reporting	136
Motherhood	141
Carceral Feminism	142
State-Sponsored Homeownership	143
Homeownership Good	144
High Impact Charities	144
AI in Law Enforcement	146
OnlyFans	148
Agriculture	149
American Anti-Black Racism	150
Art Museums/Galleries	151
Monopolies	154
Moral Philosophy	156
Populist Politics	157
Higher Education	160
Indigenous Oppression	163
Relationships Imbalances	165
Life of Jesus	167
Life of Prophet Muhammad	170
US Swing Votes 2024	171
Religious Meaning	172
IMF	174
Space Exploration	178
Judicial System	180
Judicial Elections	182
Plea Bargaining	184
Developing World Queer Activism	187
Strategic Decoupling	189
Children's Media	193

Pharmaceuticals	196
Emotional Psychology	201
Sexual Violence	205
China's Economic Slowdown	207
Development of Artificial Intelligence	210
LLMs	214
Private Sector's Influence	216
Jerome Powell	217
Professional Sport Harms	218
Fiscal Stimulus	220
Broken Windows Policing	224
US Deindustrialization	227
Politics of Central Banking	228
Argentina's Economy	232
Islamic Feminism	234
Sweatshops and Child Labor	239
Judicial Term Limits	246
Journalism	249
Religious Conflict Isn't Religious	251
Philosophy of Art	253
S-Risks	254
Take This Seriously!	258
AI and Democracy	260
Underprivileged Schools	261
Greek Debt Crisis	264
Voter Turnout	271
WFH	272
Development Aid	275
Dominant Political Parties	279
Securities Firms	283
Court Debt	285
Mercenaries	287
Lesbian Separatism	292
State Capitalism and Anti-Globalization	295
Competitive Authoritarianism	299
Labor Markets	301
UAW Strike	309
International Political Economy	313

Poland's Elections	325
1MDB Scandal	326
US v Google	326
Sam Bankman-Fried	327
Activist Investing	327
Israeli Judicial Reforms	328
Trump's Indictments	329
Twitter Under Musk	330
Post Conflict Societies	331
Case Studies	334
Prosecution	340
TRCs	350

## **Football Leagues**

- European national football leagues—of which there are 55—are governed by the UEFA (Union of European Football Associations). Each country's league system is structured as a hierarchical pyramid, with a single top-tier league (like the Premier League) and several lower-tier leagues (like League One). Football clubs move up (“promotion”) or down (“relegation”) between the league hierarchy based on their performance, with the best-performing teams moving up and the worst-performing teams moving down. The UEFA also hosts (or helps to organize) large inter-regional tournaments, including the UEFA Champions League, the UEFA Nations League, and the European Championship—the three most-watched football events in the world other than the FIFA World Cup.
- The most prestigious European football leagues, known as the “Big Five,” include Britain’s English Premier League, Germany’s Bundesliga, Spain’s LaLiga, Italy’s Serie A, and France’s Ligue 1; these leagues attract the most sponsorships, viewers, and television deals. Some of the best-known and most-watched European football clubs include Manchester City, Liverpool, Arsenal, and Chelsea (in the Premier League), Bayern Munich and RB Leipzig (in the Bundesliga), Real Madrid and Barcelona (in LaLiga), Inter Milan and Juventus (in Serie A), and Paris Saint-Germain (in Ligue 1).
- Of course, football has a strong presence well outside Europe. Prominent examples to know include Brazil’s Brasileiro Série A, the US’ Major League Soccer, Mexico’s Liga MX, South Korea’s K League 1, Tunisia’s Ligue Professionnelle 1, Saudi Arabia’s Saudi Pro League, Egypt’s Egyptian Premier League, Japan’s J League 1, and Qatar’s Stars League.

### *Football Club Ownership*

- Football clubs can be extremely profitable. They rake in revenues from ticket, merchandise, and concessions sales on game days; multi-million-dollar sponsorship and yearly broadcasting deals add to those revenues. Still, many clubs teeter on the brink of financial insolvency: salaries (especially for elite players and well-regarded coaching personnel), transfer fees, and operating expenses (like stadium maintenance and travel costs) can be steep. Furthermore, financial mismanagement (like Leeds United accumulating unsustainable debts to acquire top European talents in the early 2000s and then plummeting two leagues down by 2004), over-leveraging (like FC Barcelona borrowing €1.5B to renovate its Camp Nou stadium), and over-reliance on wealthy owners (like Chelsea running persistent deficits under the ownership of Roman Abramovich) can further damage clubs' financial stability. Consequently, football clubs often struggle to sustain profitability, commonly falling into bankruptcy; even in good years, as many as half of the clubs in the English Premier League may not break even. Even still, football leagues—on average—are unusually stable, with relatively few clubs being shut down<sup>1</sup> and even near-bankrupt clubs persevering through years of financial difficulty; for instance, 85 of the 88 teams in the English Football League were founded in the early 1920s and remain active even to this day.
- Several types of ownership structures are common in professional football.
  - **Fan Ownership:** Some football clubs are owned, in part or in whole, by their fans. FC Barcelona is the most famous example, but others abound, like AFC Wimbledon (which Wimbledon FC fans formed after that club's unpopular move to Buckinghamshire), United of Manchester (which fans formed in 2005 after Malcolm Glazer's controversial purchase of Manchester United), and FC St. Pauli (which is famed for its cult-like fan culture and prominent support for left-wing values).
  - **HNWI Ownership:** High-net-worth individuals—billionaires, hedge fund owners, heirs to family fortunes, oligarchs, royal princes, and so forth—have invested considerably into professional football. Sheikh Mansour, Dubai's

---

<sup>1</sup> How can we explain this paradox—namely, that professional football clubs are frequently mismanaged, hemorrhaging cash, woefully over-indebted, and drowning in the red, yet remain alive for decades? A “soft budget constraint” problem may be to blame. When companies (especially those deemed “too big to fail”) anticipate bailouts in the event of financial difficulty, they are less willing to plan for worst-case scenarios and more likely to take risky bets; this game-theoretic incentive helps explain why state-owned enterprises are, in many cases, highly inefficient. Football clubs often operate under a similar “soft budget constraint.” Governments may face political pressure to bail out struggling football clubs, when those clubs are immensely popular with voters or important electoral constituencies, or provide “soft credit” guarantees, like generous terms on state loans or preferential access to land for stadium construction. When governments don’t provide emergency support, fans often do; for instance, when Macclesfield Town FC faced the prospect of bankruptcy in late 2019, fans raised thousands of pounds to save the team. “Sugar daddy” owners, like Russian oligarchs or petrostates’ sovereign wealth funds, often inject capital into their ailing clubs. Financial institutions like banks and private creditors often restructure football clubs’ debts, rather than push for immediate liquidation. All of these “soft budget” measures reduce fiscal pressures on clubs to get their finances in order.

billionaire vice president, owns controlling stakes in Manchester City FC and New York City FC, and Nasser Al-Khelaifi, a wealthy Qatari media mogul, *de facto* owns Paris Saint-Germain FC (known as PSG). Italy's wealthy Agnelli family, which founded Fiat Automobiles, owns most shares in Juventus FC. Until Putin's war in Ukraine, Russian oligarch Roman Abramovich had owned Chelsea FC. Philip Anschutz, an American billionaire, is the majority owner of the Los Angeles Kings (an NHL hockey team) and the Los Angeles Galaxy (an MLS football team), while Stan Kroenke, another American billionaire, owns Arsenal FC. Chinese billionaire Zhang Jindong holds an ownership stake in Inter Milan FC. Mohamed Mansour, an Egyptian billionaire, recently offered MLS \$500M to open a football club in San Diego. German billionaire Dietmar Hopp owns TSG 1899 Hoffenheim, a German football club.

- **Sovereign/SWF Investors:** Governments are increasingly investing into football clubs, likely with political and geo-strategic goals in mind. Saudi Arabia's Public Investment Fund, a multi-billion-dollar sovereign wealth fund, owns a controlling majority stake in Newcastle United. The Qatar Investment Authority, a sovereign wealth fund flush with Qatari oil revenues, has invested heavily in European sporting associations, including PSG and SC Braga. Spain's foremost football talents—Real Madrid and Barcelona—have accepted investment from the UAE and Qatar, respectively. Why are state actors investing so heavily in football? Profit may not always be the priority: consider how Real Madrid, the wealthiest football club on the planet, enjoys revenues around \$800M per year, whereas (as of July 2023), the last-ranked Fortune 500 company enjoys revenues around \$23B per year. Instead, many SWFs, royals, and oligarchs view football clubs as non-economic instruments—bestowing upon their owners tremendous social, political, and cultural capital.
- **Institutional/Corporate Investors:** Conventionally, sports were deemed imprudent for investing; many joked that the best way to become a millionaire was to start as a multi-millionaire and then invest in a football club. Now, that's changing as private equity firms (like RedBird, Dyal Capital, Sixth Street Capital, and Arctos Capital), hedge funds (such as Elliott Investment, owner of AC Milan), and companies (especially Red Bull, which owns multiple football clubs and F1 racing teams) invest billions of dollars into football. Many are driven by hopes that teams' values will appreciate over time; for instance, year-over-year, NBA (basketball) teams consistently appreciate more than every major stock index.

### **Proselytization**

- **Islam:** The Islamic principle of *da'wah*, literally “to invite people to Islam,” was first outlined in the Quran and the life of the Prophet Muhammad. The *da'wah* principle

drives many Islamic proselytization campaigns across many schools of Sunni and Shia Islam.

- **Catholicism:** Catholic missionary trips have spread Catholic faith for centuries, often working in-hand-in with European colonial powers. Catholic faith and Biblical scripture explicitly encourage proselytization, tasking Catholic Christians with the duty to spread the word of God and the love of Jesus Christ.
- **Non-Proselytizing Faiths:** Buddhism, Hinduism, Judaism, and Sikhism are (largely) non-proselytizing faiths.

### **Context on Socioeconomic Deprivation**

- **Poverty and Religion:** Empirically, as countries become wealthier, they usually become less religious—and, by contrast, poorer countries (and, by extension, regions) are often more religious. Logically, this relationship seems reasonable. Economic development improves access to secular education, which promotes non-religious modes of thought, and reduces peoples' reliance on religious organizations for material support; furthermore, when facing the immense psychological traumas of poverty, many seek out religion as a tool for comfort and escapism. Additionally, conservative religious dogma tends to be stronger in insular and rural areas, which are commonly poorer than elite urban centers.
- **What Causes Socioeconomic Deprivation?** Many factors are at play. When areas lack good-quality infrastructure, stable legal systems, or deep labor markets, new businesses struggle to grow, and established firms are hesitant to invest. Limited access to affordable healthcare and education can trap communities in poverty for generations. Political graft, corruption, inefficiency, and instability can deter foreign investment. Environmental disasters like monsoons, hurricanes, and earthquakes can destroy productive infrastructure and hinder development. And the bitter legacy of colonialism and extractive plunder further exacerbates economic prospects in poor areas.

### **Is Proselytization Done “Well?”**

- Proselytization is often done in non-coercive and non-exploitative ways.
  - First, proselytizing religions have strong incentives to avoid alienating local non-believers through unpersuasive and blunt proselytism: badgering residents in the streets, decrying the local faith as heretical, and banging on neighborhood doors at all hours of the day is a surefire way to ineffective proselytism.
  - Second, religion often places a premium on compassion and empathy both through scripture (e.g., “love thy neighbor”) and through religious education (e.g., “follow the loving example set by Jesus”). That encourages proselytizers to consider the perspectives of prospective converts and respect their humanity.
  - Third, religions often engage in proselytism not to merely increase the numeracy of their ranks but to liberate more spirits and grant more souls access to eternal

salvation in heaven. That distinction matters because proselytizing campaigns must ensure new converts stay attached to their faith even after missionaries (and proselytizing charitable initiatives) leave the area. Forceful proselytizing tactics stunt that sort of lasting attachment—and hence dissuade their use.

- Fourth, religious proselytization has come (and remains under) under fierce scrutiny by human rights organizations, secular and religious governments, non-proselytizing faiths, and even liberal-minded activists within proselytizing religions. Proselytizing organizations have strong incentives to parry these critiques by moderating their practices and embracing compassionate proselytism.
- Fifth, the religious followers who engage in proselytization—like going on missionary trips—usually do so because they want to share their faith with others and spread the faith and community that has brought them so much meaning. Individually, these proselytizers have considerable incentives to moderate their messaging, so they find the conversations and interactions they have while on proselytization crusades fulfilling.
- Sixth, forceful proselytizing tactics are destined to backfire: local religious communities can easily reject foreign proselytizing FBOs (faith-based organizations) by highlighting their cruel tactics. As such, proselytizing forces must remain patient and embrace compassion. Furthermore, proselytizing religions know that if they overstep their bounds, they may be punished by local governments or even banned from the country; for instance, many Northern African countries, like Algeria and Morocco, have done exactly that.
- Proselytization is often done in coercive and exploitative ways:
  - First, a profound sense of “spiritual superiority” is often baked into the ideologies which justify proselytization. Catholic missionaries, for example, frequently feel like they are “saving” non-believers and bringing them “civilization” and “liberation.” Even when religions have *incentives* to proselytize respectfully, those tasked with proselytizing often harbor overriding psychological *prejudices* against non-believing communities which lead to over-zealous proselytizing.
  - Second, proselytization succeeds only through force. Changing someone’s beliefs, religious or otherwise, is always a challenge due to our powerful cognitive and intellectual biases like groupthink and confirmation bias. But changing *religious belief* is unusually difficult because religion is interwoven with culture, deeply enmeshed within local communities, and integral to peoples’ identities. Problematically, that means proselytism can only succeed through coercion: implicit threats of violence, false promises of material riches, and well-placed bribes to local officials. And even if proselytization does not *require* such extreme measures, most proselytizing agents (e.g., missionaries) likely believe they must use such measures to fulfill their duty to spread their faith.

- Third, the religions that self-select into mass-scale proselytization—like the Wahhabist branch of Islam and the Mormon and Jehovah’s Witnesses sects of Christianity—are often those with the least respect for other faith-based traditions and the greatest sense of religious exigency. Per this self-selection effort, most proselytism is done by the most fervent and radical religious movements, which are usually the least receptive to criticism and highly willing to embrace bold (and even exploitative) tactics. And to a proselytizing faith, every non-believer who is permitted to walk away is a soul destined for hell—so there is a strong *spiritual* incentive for proselytizing forces to be overzealous in their practices.
- Fourth, most proselytizing campaigns’ members come from abroad; for instance, many Catholic missionaries in Western Africa are often of American descent. Two problems arise. First, the people who opt-in to these proselytizing campaigns are those with the greatest attachment to their faith, which means they’re likely to feel the greatest urge to forcibly impress their faith on others—even if their tactics are uncomfortable for others. Second, proselytizing movements lack socio-cultural context: they often don’t understand the social dynamics at play in foreign countries and may insult or offend residents unintentionally.
- Fifth, even well-intentioned proselytization efforts necessitate exploitation. Why? For many, abandoning the local/indigenous faith and “jumping ship” to another is a terrifying prospect—and they will only do so when they feel others are likely to join them. That means proselytization efforts must convince a “critical mass” of non-believers to convert and do so in rapid succession. Unsurprisingly, this result (i.e., getting many people to convert at the same time) is difficult to achieve *without* forceful tactics (like scaring entire neighborhoods with fear-mongering rhetoric or blackmailing local congregations with veiled threats). Even though “soft” tactics (like one-on-one discussions about faith and conversion) may work more effectively, they rarely overcome the game-theoretic collective-action problem that plagues proselytization efforts.

### **Is Proselytization Good or Bad?**

- The case for proselytization
  - Proselytization reduces poverty because as religions compete for followers in the “proselytization race,” they often use carrots to entice prospective converters. For instance, Methodist missionaries are well-known to build schools, wells, roads, and even sanitation facilities in the communities they aim to proselytize. Catholic charities like Caritas International, Catholic Medical Mission Board, and Catholic Relief Services annually provide billions of dollars’ worth of food aid, medical assistance, and emergency relief in the hopes of converting non-Christians. The advent of so-called “Rice Christians,” who convert to Christianity simply to cash-in on Christian wealth, evidence proselytism’s material benevolence; for

instance, after a devastating tsunami hit Indonesia (which is overwhelmingly Muslim), Christian missionary organizations distributed antibiotics and provided shelter to stranded orphans. Were these tactics coercive? Perhaps—but they also helped those in desperate moments of difficulty.

- Proselytization puts pressure on local religious and political institutions to reform, whereas in the counterfactual, they drudge in complacency. Local churches must double down on their own humanitarian efforts when foreign missionaries make a name for themselves by building schools, offering vocational training, and distributing medicine. Similarly, local religious elites must revise their arch-conservative teachings in the face of a modernizing threat.
- Proselytization is a legitimate form of expression. In fact, people—and the religions they represent—have a well-recognized right to spread their faith (even codified in Article 18 and 19 of the Universal Declaration of Human Rights). Such a right to proselytization has at least three grounds. First, proselytism flows naturally from the right to speech; just as an advocate for democracy may attempt to persuade an advocate for autocracy into changing their mind, a follower of Christianity may attempt to persuade a follower of Judaism to change their mind. Second, the right to engage in proselytism is inseparable from the broader (and even stronger) right to religion; since many peoples' faiths explicitly call upon them to spread the word of God, prohibiting proselytization would unfairly restrict their ability to engage with their religion. Third, the right to proselytize flows naturally from the right to one's own identity. Those who are religious find great meaning in their religion and view religion as a core element of who they are; restricting their right to share that element with others is relatedly unjust.
- Proselytization can provide psychological solace. When proselytizing campaigns target non-religious areas or areas where religion is in decline (as often happens when impoverished communities grow frustrated with their faith), they can provide people with a faith-based framework to overcome difficulty and bond more directly with their community. Furthermore, faith-based organizations (like Habitat for Humanity or the Knights of Columbus) provide extensive material support to disadvantaged members of their faith. Even in other contexts, the mere attempt at proselytization often prompts important spiritual introspection that leaves people more self-aware, with a greater appreciation of their relationship with God/Allah.
- The case against proselytization
  - Proselytization is exploitative. Missionaries knowingly go into highly poor areas, where people cannot make a well-informed decision about converting to another faith. Furthermore, even well-intentioned missionaries act coercively; for instance, conditionalizing food aid or medical assistance on conversion is tantamount to blackmail in such highly deprived areas. Proselytizers often

pressure people into converting, especially when they have informal “targets” they need to reach. Moreover, proselytization often occurs in schools (like Saudi-funded *madrassas* in the Islamic world) where children cannot be exposed to differing perspectives or are not taught the full picture. Additionally, proselytizers can (and frequently do) use deceptive practices, like lying about abuses in the local religion or over-promising the spiritual and material benefits of conversion.

- Setting aside the matter of exploitation, proselytization is an act of moral violence. After all, proselytization is far more than just “changing someone’s mind.” Proselytization is an assault on the fundamental legitimacy of others’ religions; more than anything, proselytization in highly poor areas must convince non-believers that their current way of life contravenes the rightful way of life and destines them for hellfire. Hence, inbuilt to proselytism is a deeply troubling sense of superiority; consider, for instance, how the Pentecostal Protestant movement has recruited a mass following by rejecting many other faiths as heretical. More importantly, proselytization is fundamentally unlike other acts of persuasion: since the unverifiable and ambiguous “word of God” is central to the conversation, the usual evidentiary battles that feature centrally into interpersonal disagreements are not present; instead, proselytization invokes a theological debate about the nature of God—claims which cannot be refuted, especially considering the power dynamics at play when well-funded missionaries operate in crushingly poor areas. Even the non-exploitative forms of proselytism are still deeply immoral; for example, a missionary befriending you before revealing their true intention is akin to manipulation.
- Proselytization enables cultural imperialism. Empirically, most proselytization is carried out by the most powerful, wealthy, influential, and institutionalized religions—Christianity though not exclusively. Proselytization is a powerful tool for powerful religions to wipe out indigenous faiths, quash alternative interpretations of God, and trample over non-powerful religions that lack the manpower and resources of larger religions. Even if individual converters benefit from proselytization, communities writ large suffer as their unique cultural and religious characteristics die out.
- Proselytization fragments communities in at least three ways. First, violence is a well-known problem with proselytization: for many, foreign religions are seen as vessels of colonialism—and peoples’ memories of centuries of brutal proselytization confirm those suspicions. That means the arrival of proselytizing forces often arouses intense distrust and harshly anti-Christian/anti-Muslim sentiment (when Christianity or Islam are the proselytizing forces); these attitudes can quickly escalate into outright violence, as decades of Hindu violence against Christian missionaries in India highlight. Second, when proselytization succeeds

in converting some portion of an area to a different faith, that divides communities across religious lines—which saps these communities of the unity needed to organize collectively and fight for change. Third, the rhetoric of proselytization is, by nature, divisive. If missionaries tell you that your pastor is corrupt or that your faith is built on fabricated stories, whether you convert, your response will be antagonistic—either against the missionaries or against your own community. Inasmuch as proselytization necessitates an “us versus them” mentality, proselytism breeds social (and, by extension, *political*) instability.

## **Terrorism**

- **Groups:** Contemporary terrorist groups include ISIS (Iraq, Syria, and Afghanistan), al-Qaeda (Afghanistan, Pakistan, Arabia, and the Maghreb), al-Shabab (Somalia), the al-Nusra Front (Syria), Boko Haram (Nigeria), Hezbollah (based in Lebanon), Hamas (Gaza), Jaish-e-Mohammed (Kashmir), Lashkar-e-Taiba (India), the Lord’s Resistance Army (Uganda, DRC, and CAR), the Pakistani Taliban (Pakistan), the Haqqani Network (Afghanistan), the PKK (Iraqi Kurdistan and Turkey), the Abu Sayyaf Group and the Moro Islamic Liberation Front (Philippines), and Jamaat Mujahideen Bangladesh (Bangladesh). Past terrorist groups include the ETA (Spain), IRA (Ireland), LTTE (Sri Lanka), FARC (Colombia), Shining Path (Peru), Tupamaros (Uruguay), and the ERP (Argentina).
- **Financing:** Terrorists require funding to purchase weapons from black-market warlord merchants, pay, house, train, and retain soldiers, bribe law enforcement agencies and municipal (even federal) authorities, acquire resources and supplies, and finance recruitment and propaganda campaigns; for example, ISIS spent over \$1B annually at its height. Terrorists raise funds through a variety of ways: donations from like-minded sympathizers and diasporic financiers, for-profit criminal activities (e.g., pillaging, hostage-taking, drug trafficking, arms smuggling, extortion, and trafficking), commodity resource sales (e.g., oil, emeralds, diamonds, and timber), and state backing. ISIS reportedly earned \$1M/day by extracting oil from the Ajil, Allas, and Qayyarah oil fields and selling cultural artifacts. The Haqqani Network allegedly receives extensive financial and military support from Pakistan’s Inter-Services Intelligence Directorate (ISI), Hezbollah receives \$700M annually from Iran, the Taliban now reports revenues in excess of \$1.7B, and FARC consistently raised \$580M through narcotics production and distribution. al-Shabaab earns tens of millions from illegal charcoal sales.
- **Financial Counterterrorism:** Cracking down on terrorist financing, even with global bodies like the Financial Action Task Force, is no easy feat. First, the responsibility for clamping down on terrorists’ finances usually falls primarily on banks and finance ministries, which lack counter-terrorist expertise. Second, terrorists deploy advanced laundering and evasion techniques, frequently making use of shell companies, hawala networks, and front businesses; cryptocurrencies, especially Bitcoin, afford terrorists a

powerful tool for evading financial counterterrorism. Third, terrorist finances are rarely tied directly to high-profile leaders like Ayman al-Zawahiri, Osama bin Laden, Abu Bakr al-Baghdadi, and Abu al-Zarqawi. Instead, terrorist organizations' low-ranking foot-soldiers and middlemen usually execute financial transactions, which makes anti-terrorist financial crackdowns difficult; even when counterterrorist agencies suspect these individuals of terrorism, they rarely share such confidential information with the hundreds of banks, clearinghouses, and creditors involved in the globalized financial system. Fourth, terrorists' transactions are often decoupled from conventional financial systems and settled in cash, especially in countries blacklisted *en masse* by banks (like Somalia and Afghanistan) or denied large-scale Internet access (like Yemen); these financial crackdowns often hurt innocents, like remittance recipients, charitable organizations, and refugees. Fifth, the global crackdown on terrorists' use of formal financial institutions is destined for failure as informal, non-regulated money-transfer systems arise due to demand from both criminals and non-criminals. Sixth, since one man's terrorist is another man's freedom fighter, efforts to combat terrorist financing will always be fragmented and incomplete; for instance, while the global West imposes bitter sanctions on Hezbollah, Lebanon, and Iran back the group in full force. Seventh, distinguishing between legitimate and illegitimate economic activities is difficult, perhaps even impossible; the IRA, for example, bankrolled its operations through taxi services and hotels. Eighth, terrorism is too cost-efficient for financial counterterrorism to greatly reduce violence, especially since weapons production (e.g., IEDs) requires relatively inexpensive resources like fertilizer, plastic wiring, pressure cookers, and batteries. Moreover, rifles (especially M16, AR-15, and AK-47 rifles), machine guns (especially M60, H&K MP5, and RPK-47 machine guns), and polymer firearms (especially Glock handguns and SIG pistols) have all been mass produced and can be purchased inexpensively on secondary markets.

- **Weapons:** Terrorists acquire weapons in at least four ways. First, the international black market for small arms and light weapons ("SALW") is well-developed and far-reaching, facilitating terrorists' acquisition of firearms; because the US and USSR flooded Latin America, MENA, sub-Saharan Africa, and Southeast Asia with weapons during the Cold War, the end of 20<sup>th</sup> century proxy wars (and the collapse of the Soviet Union itself) created enormous opportunities for seizing and re-selling weapons on the black market. The so-called "Triple Frontier" tri-border area between Argentina, Paraguay, and Brazil is particularly infamous for facilitating the global illicit arms trade, as is the Sahel region (where Kalashnikov rifles sell for \$750, and cartridges go for just 70 cents). Second, weapons can be seized illegally. For instance, Somali pirates famously boarded the MV *Faina* cargo cruiser in 2008 to steal Soviet T-72 tanks, Ansar al-Sharia raided munitions depots in Libya after Muammar Gaddafi's collapse in 2011, and Boko Haram frequently attacks Nigerian armories (and even police stations) to supplement their arms stocks.

Third, weapons are often acquired corruptly<sup>2</sup> when local military officers accept bribes from paramilitants or sell weapons to black market dealers. Similarly, terrorists also gain weapons upon defeating opposing forces.

### **Transnational Criminal Organizations**

- **Major TCOs** include the ELN (National Liberation Army) in Colombia, the PCC (First Capital Command) in Brazil, the Ex-FARC Mafia in Colombia, MS-13 (Mara Salvatrucha), and the 18th Street gang. Major cartels include the Sinaloa Cartel in Mexico, the CJNG (New Generation Jalisco Cartel) in Mexico, the Gulf Cartel in Mexico, and the Los Zetas Cartel in Mexico.
- **MS-13:** Mara Salvatrucha operates internationally throughout Latin America (especially El Salvador, Honduras, and Guatemala) and the West (especially Long Island and North California and even Spain and Italy). MS-13—which began with Salvadorans in Los Angeles<sup>3</sup> providing protection to local immigrants in the 1980s and intensified after MS-13 members were deported back to El Salvador after the country's civil war ended—focuses heavily on socially cultivating a sense of community (known as “el barrio” or “the neighborhood”) amongst its members by demonizing its rival 18th Street Gang, using brutalizing initiation practices (e.g., being beaten for thirteen seconds), requiring members to prove their allegiance through murder, communicating through spray paint, and branding gang members with recognizable devil's horns tattoos. MS-13 lacks clear leadership and prefers a diffuse clique-based command structure. MS-13 recruits disadvantaged young men who are often impoverished, addicted, homeless, socially ostracized, formerly deported, and imprisoned. In 2012, the Salvadoran government (namely, Raúl Mijango) worked with Catholic officials Bishop Fabio Colindres to secretly negotiate a truce between MS-13 and 18th Street; once publicly leaked, the truce was excoriated by journalists and voters as unconscionable, and eventually collapsed by 2014. MS-13's vilification of 18th Street (castigated by MS-13 as “chavalas”) is deep-seated: MS-13 recruits are often ordered to kill “chavalas” (i.e., 18th Street thugs), members are prohibited from saying or writing the number 18, and

---

<sup>2</sup> Corruption is often endemic within militaries for at least four reasons. First, military officials—especially low- or mid-ranking officers and colonels—are often poorly compensated (particularly when state coffers are depleted, militaries overspend on expensive weapons rather than personnel, and payments are delayed) and hence have strong incentives to act corruptly. Second, militaries are unusually secretive and cloak multi-billion-dollar operations from public scrutiny in the name of national security; hence, the personal gains from corruption are seldom offset by the risk of being caught. Third, militaries often engage in commercial activities (like managing airports or selling weapons) which enable rent-seeking. Fourth, the military functions as both a monopoly (for instance, inefficiencies in the military are rarely exposed because there aren't competing national security forces) and monopsony (for example, domestic weapons manufacturers have a finite number of clients to sell to).

<sup>3</sup> In greater detail, MS-13 began in the early 1980s near Pico Boulevard and Normandie Avenue in northern Los Angeles; the group's founders shared a love of hard rock (especially AC/DC, Judas Priest, and Led Zeppelin), illicit substances, counter-culture clothing, and satanic symbols. When El Salvador's civil war broke out, thousands fled to the US where MS-13, increasingly militarized, offered protection from other Latino gangs. “Mara” is likely a reference to the group's large swarming ranks and “Salvatrucha” is likely a reference to Salvador's 1850s expulsion of William Walker, an American imperialist mercenary who failed to conquer Latin America.

members are barred from using crack cocaine to ensure their focused disdain does not waver; in short, hatred is the glue which binds MS-13 together. MS-13 rarely recruits: deprivation and alienation drive members to MS-13 and its powerful reputation. That reputation is one of violence: MS-13 murders, assassinates, assaults, rapes, and extorts to (1) maintain its brutal reputation, (2) deter rival gangs and law enforcement from engagement, (3) maintain group cohesion and weed out weaklings, (4) reify the violence baked into MS-13's hyper-masculinized subculture, (5) defend MS-13 territory which is essential to rent collection, (6) punish those suspected of collaborating with rivals or police officials (e.g., Brenda Paz), (7) highlight MS-13's monopoly on political and military power to curry locals' loyalty, (8) gain bargaining power with the state (e.g., offer to reduce violence for concessions), (9) discipline noncompliant gang members (known as "maras"), and (10) individual gang members put on violent spectacles to prove their commitment; most murders are carried out with machetes or baseball bats. MS-13 profits from extortion (e.g., "la renta" rents and "impuesto" taxes), drug peddling (e.g., marijuana and cocaine), and gray-market activities (e.g., gang-owned restaurants, hotels, and car dealerships).

- **Sinaloa Cartel:** The Sinaloa Cartel is perhaps the most powerful cartel in the world with a dominant foothold in the production and distribution of cocaine, marijuana, black tar heroin, methamphetamine, and fentanyl; the Sinaloa Cartel controls over 40% of Mexico's drug trade and reaps annual profits over \$3B annually. The cartel's brief history: the Guadalajara Cartel—founded in 1979 by "*El Jefe de Jefes*," a former police officer, who collaborated with Mexican drug smugglers and Pablo Escobar's infamous cocaine-producing Colombia-based Medellín Cartel—disintegrated in the late 1980s after the torture and death of a US DEA agent led to a fierce Mexican crackdown. In the splintered wake of the Guadalajara Cartel's collapse, Palma Salazar ("El Güero Palma") and Joaquín Guzmán ("El Chapo") formed a new drug cartel in Sinaloa and began smuggling marijuana, cocaine, heroin, and methamphetamine into the US made possible by underground tunnels, widespread bribery of border officials, naval shipping routes by boat, and bulk deliveries of cocaine by airplane. El Chapo's Sinaloa Cartel clashed extensively with the rival Tijuana Cartel especially between 1992 and 2000 over narcotics smuggling routes into the US. El Chapo was twice arrested and twice escaped until his famous recapture in 2016; the following year, he was extradited to the US. Since then, the Sinaloa Cartel has seen an intense power struggle between Ismael Zambada ("El Mayo") and El Chapo's sons ("Los Chapitos"). Many members of the cartel are related by blood. An extensive network of Sinaloa bribes has penetrated the Mexican government (especially the right-wing National Action Party) and the law enforcement sector (particularly the federal police). The Sinaloa Cartel has been remarkably durable due to (1) its decentralized structure which limits vulnerability to decapitation and enables speedier reactions to security threats, (2) its blood-linked membership which promotes internal loyalty to the cartel, (3) its provision of an underground illegal governance

regime which provides security (e.g., cartel policing), conflict-resolution mechanisms (e.g., cartel-mediated diplomacy), financial and fiscal regulations (e.g., frameworks for advanced narcotics payments), and political influence (e.g., extensive bribery), (4) strategic alliances with competing cartels—namely, the Gulf Cartel and (weakened) Tijuana Cartel—and (5) the fact that Sinaloa Cartel members are known to use violence strategically rather than impulsively.

### **al-Qaeda**

- Terror struck America on Tuesday, September 11th, 2001. At 8:46am, American Airlines Flight 11 careened into the North World Trade Center tower. Initial reports wrote it off as an accident, but at 9:03am, United Airlines Flight 175 plunged into the South World Trade Center tower. President Bush, speaking at a Florida elementary school, was informed moments later by Andrew Card, the White House Chief of Staff, who whispered: “a second plane hit the second tower. America is under attack.” Soon after, at 9:37am, American Airlines Flight 77 struck the western side of the Pentagon. Every aircraft in US airspace was ordered to land—but United Airlines Flight 93 didn’t respond. Issuing orders from an underground bunker beneath the White House, Vice President Dick authorized two F-16s to shoot down the plane. That proved unnecessary: at 10:03am, passengers wrested back control of the hijacked plane, destined for either the White House or Capitol, and crashed in Stonycreek, Pennsylvania.
- Within the hour, both towers collapsed; soon after, tsunamis of dust, steel, glass, and concrete swept through nearby streets. Thousands of firefighters, police officers, EMTs, paramedics, and first responders rushed into the smoldering ashes. Billows of thick black smoke choked the clear-blue skies above Manhattan and Washington. Medical helicopters and military jets swarmed the skies. A disconcerting cacophony of sirens, cries, sobs, and shouts wailed in the background. By the day’s end, a staggering 2,977 people had lost their lives.

### **Origins of al-Qaeda**

- The roots of the attacks had begun decades prior in 1988 in the Pashtun-majority city of Peshawar, Pakistan, where Osama bin Laden, a wealthy Saudi expatriate, established al-Qaeda (literally, “base”). The group soon amassed a considerable following in Pakistan and neighboring Afghanistan, especially given bin Laden’s ties to the anti-Soviet Afghan mujahideen movement (e.g., he had traveled to the country in 1979, bankrolled recruitment and training initiatives, and fought alongside his fellow insurgents) and the rise of Saudi-funded Wahhabist madrassas (i.e., Islamic schools) in Pakistan. al-Qaeda embraced the beliefs of the Islamic Jihad and the teachings of Hassan al-Banna (who founded the Muslim Brotherhood decades prior) in prioritizing *jihad* of the sword over *jihad* of the heart; translated literally, *jihad* means “struggle.” Pursuant to these ends, al-Qaeda supported a violent struggle against both apostate regimes in the Arab world

and Western imperialists with military footholds in the Islamic world—the US, in particular. When asked directly whether he supported terrorism, bin Laden agreed: “We believe that the worst thieves in the world today and the worst terrorists are the Americans. Nothing could stop you except perhaps retaliation in kind. We do not have to differentiate between military or civilian. As far as we are concerned, they are all targets.”<sup>4</sup>

- Unfailingly, al-Qaeda celebrated American deaths,<sup>5</sup> decried the stationing of American military personnel in the Arabian Peninsula and lambasted the US for its hatred of the Muslim *ummah* community—blaming the US for supporting violence against Palestinian Muslims by Israel, Bosniak Muslims by Serbia, Chechen Muslims by Russia, Kashmiri Muslims by India, and Filipino Muslims by the Philippines. Osama bin Laden and Ayman al-Zawahiri, an Egyptian physician-turned-jihadist, both issued *fatwās* against the US and its imperial empire. In February 1998, bin Laden went a step further and openly declared war on the US. Six months later, on August 7<sup>th</sup>, 1998, al-Qaeda rose to international prominence when its operatives launched near-simultaneous bombing attacks against the US embassies in Tanzania and Kenya, killing 224 and injuring over 5,000.
- From there, al-Qaeda’s planning intensified. Ramzi Yousef (responsible for the 1993 WTC bombing) and Khalid Sheikh Mohammed (later the mastermind of 9/11) had originally hoped to crash 12 American flights, but Yousef’s arrest by the ISI (Pakistan’s intelligence agency) in 1995 stunted those plans. KSM realized that weaponizing commercial airliners could prove successful in inflicting devastating pain on the US. Between 1999 and early 2000, al-Qaeda developed and trained its hijacking and flight teams and secured visas for entry to the US. KSM was the mastermind from abroad, while Mohamed Atta, another al-Qaeda militant, was the ringleader in the US.

## EITs

- Six days after the attacks, President Bush secretly signed a Memorandum of Notification authorizing the Langley-based Central Intelligence Agency sweeping and broad authority to “undertake operations designed to capture and detain persons who pose a continuing, serious threat of violence or death to U.S. persons and interests or who are planning terrorist activities.” The following day, Congress passed the AUMF (Authorization for Use of Military Force) which “authorized the President to use all necessary and appropriate force against those... [who] planned, authorized, committed, or aided the terrorist attacks that occurred on 9/11, or harbored such organizations or persons, in order to prevent any future acts of international terrorism.”

---

<sup>4</sup> These remarks came in bin Laden’s famous 1998 interview with ABC journalist John Miller, when the two met in May 1998 at al-Qaeda’s mountaintop camp in southern Afghanistan.

<sup>5</sup> Some examples: in 1983, suicide bombers killed 241 US Marines in Beruit, Lebanon’s capital; in 1992, al-Qaeda operatives bombed US-staffed hotels in Aden, Yemen; and the 1993 “Black Hawk Down” catastrophe in Mogadishu, Somalia.

- Soon thereafter, the US intelligence community began hurriedly preparing strategies for interrogating detained al-Qaeda operatives. In particular, the CIA felt a need to develop new approaches for interrogating high-value detainees (HVDs) with actionable information about imminent terror threats; many within the CIA reportedly feared that well-trained, battle-hardened al-Qaeda HVDs would not comply with conventional (non-physical/non-violent) interrogation practices.
- The CIA consulted James Mitchell and Bruce Jessen, two psychologists with experience in the US military's program of Survival, Evasion, Resistance and Escape (SERE); in total, Mitchell and Jessen received an estimated \$81M from the US government for their help. Together, they proposed the "enhanced interrogation techniques" (EIT) program, which advanced ten new (and controversial) techniques for dealing with non-compliant detainees. As a reference point, conventional tactics include isolation, limited sleep deprivation (less than 72 hours), lack of access to reading materials, and "moderate psychological pressure." Conversely, EITs included: (1) attention grasps, (2) walling, (3) facial holds, (4) facial slaps, (5) cramped confinement, (6) insect use, (7) wall standing, (8) stress positions, (9) sleep deprivation (less than 11 days), and (10) waterboarding. These EITs embraced the psychology of "learned helplessness," which aimed to shatter detainees' morale and force compliance.
- The CIA first used EITs on Abu Zubaydah, a Palestinian militant captured in March 2002 in a Pakistani safehouse near Faisalabad. Badly injured during the capture raid, Zubaydah was transferred to a hospital (where he was immediately interrogated after waking from a brief coma) then covertly extradited to a CIA black site in Thailand. There, Zubaydah became the CIA's first torture experiment. Interrogation intensified on August 4<sup>th</sup>, 2002, when the CIA first waterboarded Zubaydah. In the following three weeks, Zubaydah was waterboarded approximately 83 separate times, most of which involved at least five pourings of water.
- Despite the many legal, moral, and practical problems with the use of EITs on HVDs, the CIA pushed onward. John Rizzo, the CIA's deputy council (i.e., lead legal advisor), opted to construct a (convoluted) legal defense<sup>6</sup> of EITs, which the Department of Justice's Office of Legal Counsel affirmed. Rizzo's argument claimed that so long as the CIA did not inflict organ damage or death on its detainees, EITs complied with the Geneva Conventions, Convention Against Torture, and the War Crimes Act. As such, Rizzo paved the way for the CIA to use EITs (perhaps merely a euphemism for torture) and establish dozens of black sites throughout the world, including Thailand, Poland,

---

<sup>6</sup> Reportedly, Rizzo agreed to justify EITs after walking around the CIA headquarters in Langley while smoking a cigar, envisioning "hundreds, perhaps thousands of Americans dead on the streets again" in a second terror attack where "in the post-mortem investigations, it would all come out that the C.I.A. considered these techniques but was too risk-averse to carry them out, and that I was the guy who stopped them. I couldn't live with the possibility of that someday happening." Later, Rizzo said: "Sure, I thought about the morality of [EITs]... But as I say, the times were such that what I thought would have been equally immoral is if we just unilaterally dismissed the possibility of undertaking a program that could have potentially saved thousands more American lives."

Romania, Lithuania, and Kosovo. John Yoo, the Deputy Assistant Attorney General, authored the infamous “Torture Memos,” which lent further legal support to Rizzo’s positions.

- The most famous detainee subject to EITs—Khalid Sheikh Mohammed, the principal architect of the 9/11 attacks—was captured in March 2003 in a joint ISI–CIA raid just outside of Islamabad. Just hours after his capture, CIA captors subjected KSM to the waterboard; in total, he was waterboarded a staggering 183 times.
- The debate over the CIA’s EITs has been fierce—and ongoing since their beginnings. Of the 119 known subjects of CIA torture, at least 1 (Gul Rahman) died in custody while in the CIA’s “Salt Pit” black site in Afghanistan and at least 26 were wrongfully detained. Abuse at the Abu Ghraib prison in Iraq, publicized by CBS in April 2004, caused mass outcry. President Bush only became aware of the program in April 2006 and revealed the program’s existence publicly in September 2006. During his campaign and presidency, Obama explicitly and strongly opposed EITs: “These techniques did significant damage to America’s standing in the world and made it harder to pursue our interests with allies and.” On January 22<sup>nd</sup>, 2009, Obama officially abolished the EIT program—but did not shut down GITMO.

### **Guantanamo Bay**

- The legal status of Guantanamo Bay has been in flux for decades. After the 1898 Spanish American War, the US agreed in 1903 to lease a naval base in Cuba’s Guantanamo Bay; since then, Cuba has condemned the lease as coercive and an illegal violation of Cuban sovereignty. Presently, the detention camp at Guantanamo is run by the Joint Task Force Guantanamo. Importantly, since Guantanamo Bay is neither an official US military base (i.e., the land is not American soil) nor subject to American law, detainees enjoy minimal legal protections, especially constitutional rights (such as the Fifth Amendment) usually granted to prisoners and even terrorists. However, in *Hamdan v Rumsfeld* in 2006, the Supreme Court ruled that detainees were still entitled to protections under Common Article 3 of the Geneva Conventions. Since detainment began in 2002 under Donald Rumsfeld’s Department of Defense, roughly 780 detainees have passed through the facility and its infamous camps. Currently, an estimated 31 remain. Guantanamo has housed some of the most famous criminals in recent history, including KSM and Abu Zubaydah. The Gitmo leak of 2011 revealed internal documents that conceded how dozens of innocents were wrongfully detained at Guantanamo, especially during its initial years.
- The Obama and Biden administrations both made promises to shut down Guantanamo—especially under pressure from human rights organizations—but fierce resistance in Congress has made such efforts nearly impossible. The 2011 Defense Authorization Bill made matters worse by slowing the transfer of prisoners out of Guantanamo. Many (e.g., the ACLU and progressive House Democrats) have criticized

the continued detainment of prisoners at Guantanamo—many of whom have still yet to face trial.

### **Marriage**

- Marriage is remarkably diverse in structure, form, and nature across the world. In some countries, divorce rates are high (Spain's is 86%, Canada's is 48%, and the US's is 45%) but low in others (India's is less than 2%, Chile's is 21%, and Brazil's is also 21%). Dowry payments remain common in some countries (like India) while bride-prices are preferred elsewhere (like Myanmar and Thailand).
- Marriage as a legal and religious institution originated hundreds—possibly even thousands—of years ago. Much has changed since then: life spans are decades longer, divorce is more normalized (even somewhat accepted), and norms around relationships have evolved dramatically.
- Prenuptial agreements are negotiated and signed before marriage. Prenups usually list each spouse's debts and assets and clarify how financial obligations will be split in the event of a divorce; however, prenups rarely (and often cannot) make decisions about child custody and child support. Prenuptial agreements commonly (though not universally) require both parties to hire estate planning lawyers, especially when marriage codes are chock-full with jargony legalese. Once prenups are signed, they are difficult to void, although it is possible under exceptional circumstances.
- Why are prenups good? Prenuptial agreements offer stability to relationships by clarifying how assets (and, more importantly, debts) will be split in the event of a divorce; that makes the divorce process smoother, protects each spouse's finances, and ensures divorced couples split assets in a mutually beneficial manner. Signing prenups also forces important conversations about priorities in relationships and demands financial transparency from both spouses—and given how common it is for financial instability to ruin marriages, upfront clarity about each spouse's financial situation facilitates long-term financial planning. Prenups also protect vulnerable groups: instead of being strong-armed during divorce proceedings (especially since most divorce proceedings are settled out-of-court), disadvantaged spousal partners protect their rights at a point in time where the relationship is healthy, and they face less risk of being manipulated or exploited. Prenups also contain the fallout from divorces since many include privacy clauses.
- Why are prenups bad? Prenups are overwhelmingly signed out-of-court whereas divorces are often settled in-court, where judges (and rights-protecting legal regimes) can act as protective mechanisms for disadvantaged parties; by contrast, prenuptial agreements are signed at the very height of relationships' power imbalances, when the “honeymoon phase” euphoria blinds spouses' judgment. Furthermore, prenups are most frequently requested by *wealthier* spouses, who know they will likely be forced to pay alimony (or split assets evenly) in the event of a breakup. Prenups are often emotionally

uncomfortable, tacitly suggesting that a future breakup may be feasible or that one party feels a lack of commitment towards the other. Prenuptial agreements aren't always enforceable, commonly cannot foresee how conditions will change in coming years, and often cannot account for all elements of relationship disputes. Prenups are also quite expensive due to hefty legal fees and lawyer costs.

### **Economic Technocrats**

- Presently, economic technocrats include central bankers, financial regulators, economic advisors, and bureaucrats at organizations like the IMF, WTO, and World Bank. Examples include Jerome Powell (US Federal Reserve Chairman), Janet Yellen (US Treasury Secretary), John Williams (New York Federal Reserve Bank), Christine Lagarde (European Central Bank President), Christian Lindner (Germany's Minister of Finance), Shun'ichi Suzuki (Japan's Minister of Finance), and Kristalina Georgieva (Managing Director of the International Monetary Fund).
- A few common characteristics: (1) Technocrats are often quite well educated and usually have advanced degrees in economic-related fields; for instance, Ben Bernanke, the former US Chairman of the Fed, received a PhD in economics from MIT. (2) Technocrats often have a background in financial economics; for instance, many Treasury Secretaries in the US are former Goldman Sachs partners. (3) Technocrats tend to place great faith in a statistics- and data-driven approach to policy making; for example, Joseph Stiglitz, former chief economist at the World Bank, rose to prominence for his quantitative analysis of financial markets.
- Why do politicians have bad incentives when constructing economic policies?
  - Politicians have strong short-term incentives. Elections are usually held every two to four years so politicians must maximize their short-term electoral chances by strengthening immediate economic conditions. For instance, Malaysia's use of capital controls during the 1997 Asian Financial Crisis was aimed at shoring up short-term losses but stunted long-term investment.
  - Parties are unwilling to contravene the interests of powerful electoral constituencies, which possess disproportionate political influence. For instance, dozens of countries' pension systems will fail in the coming decades, yet reform is nearly impossible due to the entrenched power of older voters. Similarly, India's major parties (the BJP and Congress) refuse to reform India's antiquated farm laws due to the influence of agro-rural communities.
  - Governments often face strong populist pressures to invest heavily in popular but inefficient programs. Hugo Chavez's ill-fated social welfare programs, India's loan waivers for impoverished farmers, and Brazil's *Bolsa Familia* cash-transfers are case in point.
  - Political actors too often refuse to admit their own failures—and instead prolong and intensify bankruptcies and regional failures. For instance, during the savings

and loan associations crisis of the 1980s, the Reagan administration bizarrely refused to shit down failing S&Ls (a policy known as “regulatory forbearance”). Similarly, during Japan’s “Lost Decade” in the 1990s, the state bailed out collapsing banks, fueling a moral hazard and “zombie bank” crisis.

- Politicians are heavily subject to corporate capture and lobbying by special interest groups. After all, campaigns are expensive, corporations wield tremendous socio-political power, and advocacy groups can work behind-the-scenes to alter public policy in non-democratic and anti-competitive ways.
- Politicians must pander to voters, and voters are often misinformed (or under-educated on complex issues of macroeconomics), blindsided by cognitive biases (like groupthink and Dunning-Kruger), and swayed by irrational fears more than rational arguments. For example, Uganda maintains a uniform 25% duty on imports of finished manufactured products, even though the duty has been shown to increase prices for local businesses and hurt low-income households.
- The political process necessitates inefficient allocation of resources since pork-barrel politics are particularly common because fractious coalitions, narrow congressional majorities, and fragmented legislatures can only pass policy by catering to swing/kingmaker votes which demand localized “pork” spending.
- Politicians lack flexibility: they fear walking back on previous statements (hence looking inconsistent) and fear contradicting party orthodoxy/doctrine (especially when parties’ economic dogma is outlined in official manifestos/documents). Additionally, campaigns beget poor understandings of “good economics” since complex (yet effective) economic policies rarely sound appealing to voters (compared to flashier soundbites).
- Political systems are rarely representative due to low voter turnout (e.g., 28% turnout in Nigeria’s latest presidential election), racialized and ethnicized gerrymandering (e.g. anti-Black congressional maps in North Carolina), corporate capture by lobbyists (e.g., Wall Street’s anti-Dodd-Frank campaign), statistical irregularities in districting (e.g., the US Senate overweighting small states), and unrepresentative parliamentary coalitions (e.g., Israel’s Jewish Power Party). Hence, even effective democracies seldom represent the public’s true interests.
- Politicians—drunk on their own hubris and infatuated with their own power—too often construct policy with little regard for data and sideline sensible policy recommendations. Furthermore, politicians are often incompetent economically—and that’s not unreasonable, given the tremendous complexity of fields like financial regulation or macroeconomic industrial policy. Instead, politicians are well-known for dismissing non-sycophantic advisors; Erdogan’s disastrous economic mismanagement in Turkey is a good example, as was Argentina’s bizarre *pesoification* policy in 2002.

- Why might technocrats have, by contrast, better incentives?
  - Technocrats care about their legacy and, by extension, their image long after they leave office—and unlike politicians, they don't have the immediate pressure of an election to worry about.
  - Technocrats often enter the public arena to buttress their future opportunities in the private sector. To this end, technocrats must ensure proper economic management to solidify their lucrative post-government career prospects.
  - Technocrats are steeped in a culture of self-criticism, internal re-evaluation, and extensive research/debate. As such, technocrats are less likely to embrace rash, impulsive policy decisions.
  - Technocrats are often more experienced than politicians—who are, themselves, often elected based on pseudo-arbitrary characteristics, like their accent or access to campaign funding. Conversely, technocrats usually have years of experience in high-level economic and financial management positions (e.g., being an investment partner on Wall Street).
- Why else is technocratic management good?
  - Technocrats are not bogged down by the slow, bureaucratized legislative process. While disagreements between economists may arise, deep-seated political (or ethno-nationalist) tensions aren't on the line, so compromise is easier and speedier. The expediency of crisis response is of particular importance for stabilizing markets.
  - Technocratic management harmonizes monetary and fiscal policies. Presently, most monetary authority is delegated to technocrats while fiscal matters are reserved for politicians. Technocratic management brings unity to both sides of government economic policy.
  - Technocratic governance is less volatile. While parties come in and out of power, ideological differences between academics/economists tend to be far narrower—so stability in policy making (and reasonable-tone in debating) is greater.
  - Foreign investors place greater trust in skilled economists than brash politicians, hence encouraging inflows of FDI.

### **War Reporting**

- War journalism and conflict reporting is of great importance. Accurate information is essential for fair evaluations of ongoing military operations; relatedly, war reporting raises international awareness about ongoing humanitarian crises (e.g., Syria, Yemen, South Sudan, and Myanmar), spurring support for peacekeeping (e.g., deploying UN peacekeepers) and charitable initiatives (e.g., refugee assistance, food aid, and medical support). Moreover, citizens have a legitimate claim to know how their nation's military is exercising its power abroad, especially because holding the military accountable

requires clear documentation of atrocities (e.g., the Srebrenica Massacre in Bosnia or the 1990 Sri Lanka massacre). Post-conflict reconciliation—TRCs and criminal prosecutions in particular—can succeed only when proof of past violence (e.g., pictures, interviews, videos, articles) exists. Combating wartime propaganda necessitates robust wartime journalism.

- War journalism is difficult by nature for at least three reasons.
  - First, war journalism requires a delicate balance between militaries' secrecy and journalists' openness. Militaries are clandestine by nature: troop locations, battalion movements, records of military technologies, and plans for future operations must be kept out of the public's eye. By contrast, journalism emphasizes the importance of truth-seeking and accountability through publicizing information. War journalism balances between these competing objectives and begets disagreement between military generals and senior journalists. For example, when the British military went to war in the Falkland Islands in 1982, the British Ministry of Defense told soldiers: "The essence of successful warfare is secrecy; the essence of successful journalism is publicity."
  - Second, reporting on wars is no easy task. Wartime violence—firefights in the tight-packed streets of Fallujah, artillery shelling in the Khyber mountains in Pakistan, miles of minefields in Donetsk and Zaporizhzhia, sniping in Afghanistan's Jalalabad province, urban warfare in Sudan's capital city Khartoum—can injure or kill journalists; that violence also deters reporters from entering violence-intensive areas (like Aleppo in Syria, Dresden in Germany, Hué in Vietnam, or Mekelle in Ethiopia's Tigray province). Other factors play a role, too. Signal interference, radar jamming, and the destruction of communication infrastructure can make externally transmitting information difficult. Furthermore, while journalists are nominally protected under international law (namely, the Third Geneva Convention) they are frequently targeted by enemy forces, especially terrorists or paramilitary forces that disregard the rule of law; for instance, the Taliban reportedly offered bounties for killing Western journalists and ISIS is well-known for its videographed decapitations of reporters. Similarly, just fourteen days into Russia's invasion of Ukraine, American journalist Brent Renaud was shot dead by Russian soldiers.
  - Third, war is antithetical to truth; as a US Senator once said, "in war, truth is the first casualty." Every war occurs not only on the battlefield, but also in public discourse. Militaries, after all, have strong incentives to peddle propaganda, conceal evidence of abuses and atrocities, and project an image of unfettered strength; governments, too, join in to bolster public and nationalist support for the cause. That makes truthful reporting difficult as militaries have little reason to permit truthful journalism but tremendous reason to distort journalists' pursuit of the truth. Problematically, in the military–journalism power struggle, militaries

usually have the upper hand since they can block journalists from entering certain areas, blacklist media organizations from operating in combat zones, and issue veiled threats against non-compliant reporters.

- Examples of well-known war journalists include Jack London (who worked with the Imperial Japanese Army to cover the Russo–Japanese War), Marguerite Higgins (who won a Pulitzer Prize for her coverage of the Korean and Vietnam Wars), Margaret Bourke-White (whose photojournalism captured the brutality of the Indian partition), Walter Cronkite (whose post-Tet-Offensive journalism in Vietnam helped cement him as the “most trusted man in America”), Harris Whitbeck (who has extensively covered military affairs across Latin America and the Middle East), and Anthony Shadid (who twice won the Pulitzer Prize for his coverage of wars in Iraq and Libya). Michael Yon may be the most famous embedded journalist in recent memory, having developed a *de facto* cult of personality for his extensive reporting during the US invasion of Iraq.

### Moral Intuitions About War

- War is as inevitable as it is destructive. To condemn all war as inherently unjust ignores (1) that many wars are simply unavoidable, (2) war may be justified in specific contexts, and (3) even if war is by nature unjust, the conduct within war should still be constrained by moral bounds. Pursuant to these ends, Just War Theory has three broad dimensions: *jus ad bellum* (“right to go to war”), *jus in bello* (“right conduct in war”), and *jus post bellum* (“right after war”). Intuition substantiates the essential tenant of just war theory—namely, that war must be fought humanely and ethically to reduce the barbarity of conflict. JWT addresses both the *ends* of war (i.e., what war is fought for) and the *means* used to achieve those ends (i.e., how war is fought). For instance, we oppose torturing and inflicting unnecessary pain on enemy combatants, harming innocent non-combatants and attacking civilian infrastructure, deploying chemical and biological weapons, subjecting individuals, combatants or otherwise, to sexual abuse, and violating the rights of prisoners of war.

### Just War Theory

- When is war legitimate (“*jus ad bellum*”)? Wars must (1) have claim to just cause, (2) be a last resort, (3) be declared by proper (sovereign) authorities, (4) have a reasonable chance of success, and (5) deploy means which are proportional to the desired ends.
  - **Just Cause:** Just wars cannot be fought for unjust causes. States should only go to war (“*casus belli*”) in response to grave wrongs. Two cases arise: (1) wars of self-defense, often against foreign invasion, and (2) humanitarian interventions (R2P) against crimes which shock our moral conscience. States must not have ulterior motives (like electoral interests) in waging wars.
  - **Last Resort:** Just wars should only be fought when all non-violent and diplomatic alternatives have been exhausted. After all, war is uncontrollable (for once war

- begins, its atrocities cannot easily be stopped), irrevocable (for war's legacy is long-lasting), and destructive (for truth and trust are war's first casualties).
- **Proper Declaration:** States must publicly declare their commitment to war; otherwise, soldiers would be mere criminals murdering in cold blood. For a soldier's kill to be just, they must be authorized explicitly by their sovereign to fight.
  - **Proportionality:** War is an ultimate moral evil and is justified under only the most heinous of circumstances. As such, wars may only be started when war (and the means deployed during war) are proportional to the *casus belli*.
  - **Probability of Success:** War must only be fought when victory is possible—even if not guaranteed, for predicting outcomes accurately is a tall order.
  - What acts of war are legitimate (“jus in bello”)?
    - **Discrimination:** Attacking indiscriminately—without distinguishing between combatants and non-combatants—is unjust: while soldiers are trained and armed (and hence pose a threat), civilians pose little to no threat, and since war is akin to a game (e.g., a boxing ring) once you enter the game (e.g., entering a boxing ring) you consent to the dangers inherent in the game. Discriminating between legitimate and illegitimate military targets isn't clear cut: for instance, unarmed soldiers still have rights as do prisoners of war. Culpability scales with proximity to the machine of war: those who bear greater responsibility are more legitimate military targets. The Geneva Conventions define legitimate military targets as “those objects which by their nature, location, purpose or use make an effective contribution to military action and whose total or partial destruction, capture or neutralization, in the circumstances ruling at the time, offers a definite military advantage.”
    - **Proportionality:** Even when militaries apply force exclusively against legitimate military targets, that force must be proportionate to the objectives at stake. Violence cannot be used in excess to the “direct military advantage anticipated.”
    - **Necessity:** Militaries must use the least harmful means available to secure ends.
  - Are preemptive wars justified? Proponents say yes: striking the first blow may prevent a future, bloodier war and striking first signals that future aggression would assuredly be met with forceful response, hence generating deterrence. Opponents say no: states are presumed to be innocent until engaged in acts of aggression or crimes against peace, and militarization isn't equivalent to the use of military force. Further, preemptive strikes destabilize peace and risk escalation, and preemptive actions can often be justified through state-machinated “false flag” operations.
  - Where does JWT/IHL face criticism? Some critics hold that there is no such thing as a just war, for as General William Sherman once said, “war is hell.” War may be so immoral by nature that there cannot be any moral salvation through restrictions on wartime conduct. Others posit that notions of “morality” can only apply to peaceful

situations and hence are nonstarters during wars. Consequentialists maintain that all tactics are legitimate to the extent they make wars faster, shorter, and less bloody.

### **History of Just War Theories**

- Though earlier scholars (many of whom from non-Christian backgrounds) wrote extensively on the ethics of war, Thomas Aquinas' *Summa Theologicae* (Section 2 of Section 2, Question 40) forms the seminal basis for modern just war theory. Aquinas outlined three conditions for war to be just:
  - “First, [war requires] the authority of the sovereign by whose command the war is to be waged. For it is not the business of a private individual to declare war... [but] it is their [sovereigns’] business to have recourse to the sword of war in defending the common weal against external enemies.”
  - “Secondly, a just cause is required, namely that those who are attacked, should be attacked because they deserve it on account of some fault.”
  - “Thirdly, it is necessary that the belligerents should have a rightful intention, so that they intend the advancement of good, or the avoidance of evil... For it may happen that the war is declared by the legitimate authority, and for a just cause, and yet be rendered unlawful through a wicked intention [like] ‘the passion for inflicting harm, the cruel thirst for vengeance, an unpacific and relentless spirit, the fever of revolt, [or] the lust of power.’”
- Henry Durant, the founder of the Red Cross, spearheaded the First Geneva Convention in 1864, which guaranteed protections for sick and wounded soldiers as well as humanitarian aid workers; the Hague Conventions of 1899 and 1907 furthered these protections. The greatest advancements in international humanitarian law (IHL) came after WWII with the Geneva Conventions of 1949.
- Excerpts from Obama’s 2009 Nobel Speech: “War, in one form or another, appeared with the first man. At the dawn of history, its morality was not questioned; it was simply a fact, like drought or disease—the manner in which tribes and then civilizations sought power and settled their differences. And over time, as codes of law sought to control violence within groups, so did philosophers and clerics and statesmen seek to regulate the destructive power of war. The concept of a "just war" emerged, suggesting that war is justified only when certain conditions were met: if it is waged as a last resort or in self-defense; if the force used is proportional; and if, whenever possible, civilians are spared from violence. Of course, we know that for most of history, this concept of "just war" was rarely observed. The capacity of human beings to think up new ways to kill one another proved inexhaustible, as did our capacity to exempt from mercy those who look different or pray to a different God. Wars between armies gave way to wars between nations—total wars in which the distinction between combatant and civilian became blurred. In the span of 30 years, such carnage would twice engulf this continent. And while it's hard to conceive of a cause more just than the defeat of the Third Reich and the

Axis powers, World War II was a conflict in which the total number of civilians who died exceeded the number of soldiers who perished. We will not eradicate violent conflict in our lifetimes. There will be times when nations -- acting individually or in concert--will find the use of force not only necessary but morally justified... Evil does exist in the world. A non-violent movement could not have halted Hitler's armies. Negotiations cannot convince al Qaeda's leaders to lay down their arms. To say that force may sometimes be necessary is not a call to cynicism—it is a recognition of history; the imperfections of man and the limits of reason... So yes, the instruments of war do have a role to play in preserving the peace. And yet this truth must coexist with another—that no matter how justified, war promises human tragedy. The soldier's courage and sacrifice is full of glory, expressing devotion to country, to cause, to comrades in arms. But war itself is never glorious, and we must never trumpet it as such. So part of our challenge is reconciling these two seemingly irreconcilable truths—that war is sometimes necessary, and war at some level is an expression of human folly.”

### **Motherhood**

- **Physical:** 1 in 8 mothers experience intense postpartum depression. New mothers suffer from sleep deprivation, often getting less than four hours a night. Pregnancy itself is horrible: morning sickness, mood and hormone swings, physical trauma, intense nausea, hemorrhoids, painful bowel movements, and permanent bodily distortions. Childbirth itself is perhaps the most painful experience a woman will ever experience—and frequently leads to PTSD for years after. Many women, especially those who are low-income, lack access to high-quality prenatal care.
- **Emotional:** Mothers often feel guilty: they're bombarded with advice and expectations from friends, family, and the media and struggle to keep up. Love is a double-edged sword—empowering but also crushing when mothers feel they aren't doing enough. Mothers often are responsible for a disproportionate amount of unpaid domestic labor which adds to their toll. Pregnancy can be emotionally uncomfortable as women commonly don't know what is (and is not) normal. Mothers who balance between parenting and working face additional challenges.

### **Motherhood in Media**

- Per Social Comparison Theory, we compare ourselves to others to assess if we meet the goals of the “ideal self” and to learn how to get closer to achieving those ideals; both motives are driven by our motivation to do better and reduce discrepancies between ourselves and our target comparisons.
- Social media commonly promotes idealized portrayals of motherhood due to a positivity bias in posting. For instance, mothers—whether “mommy influencers” or everyday down to earth mothers—most usually post cute and funny photos and milestone events (like a baby taking their first steps) but rarely post sad and low-quality photos (like a baby

crying). Comparisons to these posts can often cause anxiety, self-doubt, and envy/jealousy.

- Conventional media (e.g., TV, movies, and songs) all-too-frequently embrace an overly rosy image of motherhood. Some examples: What to Expect When You're Expecting, a 2012 book-turned-movie, chronicles the lives of five women and their pregnancy, highlighting their struggles with miscarriage, unexpected pregnancy, and adoption—yet the movie still concludes by emphasizing the euphoric joy felt by each mother at their child's arrival. Baby Mama, Baby Boom, and Knocked Up all follow similar arcs. Still, norms are changing; for instance, the 2016 Bad Moms film criticizes gender norms surrounding motherhood.

### **Carceral Feminism**

- What are examples of carceral feminism in practice? In 1994, the US passed the Violence Against Women Act (VAWA) which apportioned \$1.6B in federal funding for investigating and prosecuting violent crimes against women. Similar measures include the Domestic Abuse Bill in the United Kingdom, the Protection of Women from Domestic Violence Act in India, and the Organic Act on Comprehensive Protection Measures against Gender Violence in Spain. Several cities have classified misogyny as a hate crime.

### **Against Carceral Feminism**

- Carceral feminism (or “militarized humanitarianism”) ignores how law enforcement and the police perpetrate violence, especially against low-income, minority, and queer women. When police officers respond to reports of sexual/gender violence, they are often bound by “mandatory arrest laws” that lead to dual arrests of women and their abusers (especially since police perceive both parties as guilty and cannot quickly determine the primary aggressor). In the US alone, just 5,600 women were incarcerated prior to VAWA, yet fifteen years later, over 110,000 women were incarcerated and another 100,000 were in local jails.
- Imprisoning men, even evil men, does not help women. Empirically, mass incarceration has done little to reduce rates of sexual violence. Instead, prisons are breeding grounds for abuse, violence, radicalization, drug addiction, and alcoholism. Men may leave even more abusive than they entered.
- Increasing policing resources trades off with investing into communal programs (like shelters, public housing, and welfare) and discourages alternative responses to gender-based violence (like community interventions). Social and economic inequities drive gender-based violence, yet carceral feminism fails to address those underlying factors. Money is better spent elsewhere, like helping vulnerable women find affordable housing and escape abusive relationships.

- Carceral feminism is co-opted by neoliberal and conservative political forces which glamorize the role of the criminal justice system in reducing crime. Such forces leverage the “credibility of feminist movements to advocate for widened definitions of criminalized behavior, lengthier prison sentences, expanded police powers and prison funding.” Moreover, carceral feminism “abets the growth of the state’s worst functions while obscuring the shrinking of its best” (e.g., providing cover for states to slash support for women’s shelters).
- Carceral feminism leaves vulnerable (and intersectionally disadvantaged) women behind. Undocumented women may report cases of sexual and domestic violence only to then be deported. Low-income women are often evicted by their landlords for calling the police. Women convicted of attacking (or even killing) their assailants are subject to a tough “law and order” agenda which sentences them harshly. Few women feel comfortable reporting sexual crimes to the police (globally, less than 15% of victims do) and for those who go through the long, arduous, and retraumatizing trial process, the outcome is often dissatisfying, featuring intense cross-examination and gaslighting by defense attorneys. Strengthening policing systems—and bringing them closer to women—increases the odds of women being arrested, especially since men can manipulate legal systems into arresting innocent women.
- Carceral feminism is bad for feminism. Carceral feminism validates an individualist approach to gender-based and domestic violence (e.g. “you must call the police”) and ignores how communal systems are required to protect women. Carceral feminism accelerates the professionalization of feminism—alienating grassroots activists and community organizers who feel turned away when upper-class cis white feminists champion calls to “lock him up.” And carceral feminist advocacy pits feminism against other leftist movements which embrace abolitionism—and worse yet, turns non-white feminists away from a movement which they view as supporting the very institutions which have long oppressed their communities.

### **State-Sponsored Homeownership**

- Governments make homeownership more affordable in at least five ways. First, governments offer direct subsidies and grants to homebuyers, and when land is publicly owned, sell properties at below-market prices. Second, governments indirectly subsidize mortgages through tax breaks, like by deducting mortgage interest payments from annual tax dues; relatedly, governments help homebuyers afford down payments. Third, governments offer mortgage guarantees, promising to repay mortgage originators (e.g., banks) should mortgage borrowers default; these guarantees spur lending to prospective homeowners. Fourth, state banks often have a large presence in mortgage industries (e.g., the State Bank of India, Industrial Bank of Korea, Brazil’s Caixa Bank, and Switzerland’s Zurich Cantonal Bank, and the National Bank of Egypt) and state-owned banks commonly restructure mortgages during times of economic distress and provide greater

repayment flexibility to borrowers. Fifth, governments provide supply-side support to home builders, construction companies, and real estate developers to build housing units, hence boosting housing supply and driving down costs.

- Consider Chile as an example. Chile provides grants to low- and middle-income households to build or buy permanent residential dwellings (without turning to mortgage financing), provides rent-to-buy subsidies which help residents to buy out their apartments, offers subsidies for housing regeneration (e.g., renovations which increase energy efficiency), and tax-deducts mortgage interest payments. In total, these programs—which cost approximately 0.52% of Chile's annual GDP—have largely succeeded. The rental sector accounts for just 18% of the national housing market (compared to an OECD average of 32%). While 23% of Chileans lived in substandard housing in 1992, just 10% do nowadays. Poverty rates have dropped from 33% in the 1990s to just 8% today.

### *Homeownership Good*

- Homeownership is financially important. In many countries, peoples' largest and most valuable assets are their homes which retain great value and can be passed down generationally. Homeownership also helps with long-term financial planning (especially for retirement) and homeowners can borrow against their real estate equity to access non-residential credit (i.e., home equity credit lines) more affordably; as such, homeownership stunts the blow of economic crises.
- Homeownership is socially important. Homeowners are far less likely to move than renters (partially because selling a house is more cumbersome than exiting a rental contract and partially because homeowners feel a closer emotional connection to their home than a renter feels to their landlord's property); hence, homeownership promotes stability in neighborhoods, strengthens intra-communal social ties, and increases residents' willingness to invest in the local community (e.g., volunteering for the good of the community, forming voluntary crime prevention programs to reduce property crimes which depreciate local housing values, and actively participating in local politics).
- Homeownership is morally and emotionally important. People care deeply about becoming homeowners; for many, that is the sign they've achieved success. Homeowners feel that their home is more than mere shelter or a roof over their heads. A home feels like yours—something to take pride in.

### **High Impact Charities**

- **Against Malaria Foundation and Malaria Consortium:** Malaria kills 630,000 people every year, most of them children under 5 living in sub-Saharan Africa (on average, a child dies from malaria every two minutes). Seasonal malaria chemoprevention treatments (which cost around \$3 USD) and insecticide-treated malaria nets (which cost around \$7 USD) can dramatically reduce susceptibility to malaria.

- **Helen Keller International:** Vitamin A deficiencies can lead to childhood blindness and increase susceptibility to infectious illness. An estimated 200,000 people die every year from vitamin-A-deficiency-related factors. High-potency vitamin A supplemental capsules (which cost around \$2 USD) can greatly reduce childhood mortality.
- **New Incentives:** Nigeria accounts for 13% of the world's mortality of young children yet 40% of those deaths are caused by vaccine-preventable diseases. New Incentives provides small cash incentives (around \$11 USD per transfer) to families in Northern Nigeria (where 43% of children are under-vaccinated) to vaccinate their children. Almost 1.7M children have since been vaccinated.
- **Sightsavers:** Cataracts, trachoma illnesses, and river parasites put millions of young children, especially girls, at risk of blindness. Sightsavers provides low-cost vision charts (\$25), trained ophthalmologists (\$55), and cataract surgeries (\$109) to fight for disability rights.
- **Unlimit Health:** Intestinal worms afflict an estimated 50M people worldwide, killing tens of thousands. Unlimit health provides low-cost deworming pills (which cost around \$1) to treat schistosomiasis and soil-transmitted helminthiasis.
- Other examples include **Carbon180** (which supports soil carbon sequestration and direct air capture), **Clean Air Task Force** (which advocates for the development of innovative low-carbon energy sources), **Development Media International** (which uses mass media campaigns to promote healthy life choices in developing countries), **Educate Girls** (which educates low-income girls in rural India), **Evidence Action** (which supports school-based deworming initiatives), and **GiveDirectly** (which offers unconditional cash transfers to poor families in Kenya, Rwanda, and Uganda).

### **Characteristics of Effective Charities**

- High-impact charities usually embrace statistics- and data-driven approaches, often using randomized controlled trials to assess the effectiveness of their interventions. However, many charities cannot meet these metrics especially when their aims are long-term or their programs are hard to evaluate (for instance, targeted education programs).
- High-impact charities allocate money efficiently, cut down on unnecessary costs, and consider where interventions can have the greatest “bang for buck.” Overhead costs are not inherently bad: many charities invest heavily in training and evaluation. Still, high-impact charities maximize their cost-effectiveness.
- High-impact charities are self-critical and consistently re-evaluate the success of their programs, adjusting as needed. High-impact charities also have altruistic motives—aiming to make the world a better place. Furthermore, high-impact charities are transparent.
- By contrast, corruption is endemic in low-impact charities. Examples include the Cancer Fund of America (which used 86% of donations to pay executives) and the National Veterans Service Fund (which used donations to pay for frivolous personal expenses).

## **AI in Law Enforcement**

- **FRTs:** AI is used extensively in facial recognition technologies (FRTs) which are often used by police to identify and arrest suspects. Clearview, a facial recognition software firm powered by artificial intelligence, has reportedly scraped nearly thirty billion images from digital platforms like Facebook and Instagram and is used extensively by law enforcement agencies—including over one-million searches by US police officers alone. Many civil rights organizations (e.g., the ACLU), municipalities (e.g., Portland, San Francisco, and Seattle), and countries (e.g., Canada, Australia, Britain, France, Italy and Greece) have stiffly opposed/banned Clearview for privacy violations and ethical concerns; similarly, the EU has imposed multimillion dollar penalties for privacy breaches. Additionally, AI-driven FRTs are widely criticized for their inaccuracies; in particular, AI programs may accelerate racial profiling because (1) FRTs are usually developed by non-racially-representative programming teams (which are disproportionately white and Asian), (2) algorithmic training breeds algorithmic bias since stock photos over-depict white faces while mugshots over-depict Black faces, (3) FRTs struggle to accurately identify late adolescents and young adults since facial patterns change considerably over time, (4) FRTs lack discretionary instincts to scrutinize questionable results, a problem made worse by the fact that humans overestimate FRTs' accuracy, heavily defer to FRTs as an "ethical" shortcut, and over-rely on AI judgment to save time in high-stakes situations, and (5) law enforcement officials often use FRTs selectively to confirm (and lend credence to) their preconceived biases. Still, advocates defend the use of facial recognition as a (1) powerful (i.e., capable of analyzing patterns far beyond human capabilities), (2) efficient (i.e., capable of processing thousands of hours of footage in seconds), and (3) less error-prone (i.e., not subject to humans' fatigue or mistakes) crime-fighting tool; furthermore, FRT is particularly good at low-quality image (re)construction (e.g., when a suspect is photographed at a blurry angle, video-graphed on grainy CCTV footage, or seen driving a car with an indecipherable license plate). FRT is improving at "scene understanding," like predicting which direction suspects likely went based on body language, analyzing audio to determine where gunshots came from, and monitoring ongoing crime scenes. FRT can help solve these problems. For instance, infamous MS-13 gang leader Walter Yovany-Gomez was captured in 2019 thanks to facial recognition technology after a eight-year-long manhunt.
- **Policing:** Predictive policing algorithms analyze historical crime patterns (e.g., where, when, and how crime was committed) such that police departments can proactively address crime (e.g., by stationing more officers in areas predicted to be at high risk of violent crime so that cops are in the right place at the right time). Predictive policing (in theory) enables police to identify "hot spots" and anticipate local crime spikes and surges before they occur. PredPol, also known as Geolitica, is perhaps the most-used predictive policing algorithm in the West. PredPol's predictions have come under fierce criticism for

racial bias. At PredPol's suggestion, Black neighborhoods have been policed nine times more than white neighborhoods in Portage, Michigan; Latino neighborhoods are overwhelmingly policed in Birmingham, Alabama, despite representing less than half of the city's population; and in Haverhill, Massachusetts, PredPol has directed twice as many police officers to low-income districts than to median-income districts. In short, PredPol greatly over-exaggerates crime risks in areas with higher concentrations of Black, Latino, and low-income residents. Furthermore, artificial intelligence predictive policing models are only as good as the data these models are trained on. Yet criminal and policing data is often low-quality due to human errors (e.g., police officers writing down wrong addresses or data repositories erroneously deleting certain entries), data incompleteness (e.g., crimes like sexual assault are commonly under-reported due to stigma), data manipulation (e.g., audits confirm that many police departments "fudge" crime statistics either at the behest of municipal incumbents intent on reelection or police commanders concerned for their reputation), geographical constraints (e.g., most police departments are localized and hence have limited data to work with), and policing bias (e.g., police officers disproportionately arrest Black men and police squads have historically been over-deployed to minority neighborhoods); correcting these flaws in data is hard since (1) companies producing predictive policing systems have little incentive to admit error, (2) unbridled enthusiasm for data-driven policing dissuades self-critical attitudes towards these technologies, (3) police unions often push back against the onerous paperwork/data entry requirements needed for accurate data entry, (4) critical evaluations of these algorithms are difficult since constructing counterfactuals is near-impossible given the thousands of variables which affect criminal behavior, (5) AI predictive policing systems are first embraced in data-rich high-density areas and are then embraced by the data-poor low-density areas where they are likely to offer ineffective solutions, and (6) transparency is often lacking with these systems, especially since crime data is frequently classified for security reasons or restricted for privacy purposes. Furthermore, predictive policing algorithms create a self-fulfilling prophecy ("we looked for crime and we found it") which legitimizes racial profiling ("we're not racist, we're just following the algorithm"). Still, AI-powered predictive policing has its upsides. Predictive policing predates AI by nearly a decade, yet artificial intelligence greatly increases the accuracy of these predictions and hence boosts the deterrence effects caused by a strategic police presence; predictive policing strategies are made more precise by AI given that computerized systems can find patterns in impressively large data sets including variables humans simply cannot or will not analyze (e.g., street lighting, daily temperature, proximity to nightclubs, and so forth). AI is particularly good at social network analysis, poring over thousands of data points to map out a complex web of friends, family members, gang associates, nemeses, and enemies to anticipate (and preempt) future crimes. For example, to combat crime in Chicago's notoriously violent 15th District (home to the Four Corner Hustlers gang), the Chicago Police Department

analyzed social media accounts of known gang members to predict where imminent crimes/drug transactions would likely take place; subsequently, violence dropped considerably. The Los Angeles Strategic Extraction and Restoration (LASER) system works similarly as do newer versions of the NYPD's CompStat system. Furthermore, predictive policing algorithms can aid with violent crime prediction, which non-AI systems struggle to predict given the frequency of unplanned "crimes of passion." AI systems, even if trained on flawed data sets, are free from the deliberate human biases which pervade racist police departments. And flaws in data sets can be minimized through large-scale forensic audits of criminal data sets, the incorporation of data analysts into major police departments, the use of crime reports (e.g., 911 calls) in data sets (since reported crime is usually less biased than arrested crime), centralizing municipal policing data (such as to allow these AI systems to be trained on larger data sets), and expanding the use of deep-learning and neural-networking technologies to self-correct biases.

- AI also can promote public safety in other ways. Many municipalities are integrating artificial intelligence into their traffic management systems. Private sector companies like PayPal use AI's pattern-recognition to facilitate fraud detection. AI shows strong potential in fields like forensic science and toxicology and hence can help criminal detectives and identify causes and manners of death. Moreover, AI helps with DNA high-sensitivity analysis, which commonly involves vast amounts of complex electronic data. AI can help with the legal side of the criminal justice system—for instance, summarizing statutory codes for public attorneys' use and greatly accelerating eDiscovery (legal jargon for uncovering thousands of pages' worth of relevant evidence).

### **OnlyFans**

- Tim Stokely launched OnlyFans in 2016. Now, the platform has over 210M users and 2M content creators, is a top-50 most-visited website in the world and gains approximately 500K new users every day. Only 300 OnlyFans content creators earn more than \$1M annually; the average creator makes about \$180 per month and has just 21 subscribers. OnlyFans takes a 20% commission and pays its creators around \$5B in total annually.
- Well-known OnlyFans creators include Blac Chyna (an actress who made \$240M on OnlyFans but left in 2023 after becoming baptized to pursue her Christian faith), Bella Thorne (a Disney star who made a record \$1M in her first day on the platform), Cardi B (who does not post nude content on her page), and Tyga (a rapper who left OnlyFans to start a rival site).
- OnlyFans is controversial amongst feminists. Some laud OnlyFans for (1) giving women an opportunity to earn money on the side, (2) enabling women to find empowerment in profiting from their sexuality, (3) offering a safer and more profitable alternative to conventional sex work (where women are often exploited by pimps, financially abused by exploitative brothels, infected with STDs by clients, sidelined in societal discussions about rape, and harassed by local police), and (4) normalizing and destigmatizing sex

work writ large (especially since OnlyFans has received generally positive coverage in the media). Others condemn OnlyFans for (1) falsely enticing vulnerable women to the platform through exaggerated expectations of success propagated through the media's positivity bias and OnlyFans' own advertising, (2) enabling men to view women as sexual commodities (a problem worsened by OnlyFans' social-media-like nature, which leads subscribers to view creators as dispensable, to "move on" from creators rapidly, and to feel there are millions of sexualized female bodies a mere click away), (3) creating parasocial relationships whereby male subscribers message female creator to request creators to act as their personal sex toys, act out their perviest sexual fantasies, and treat women as sexual objects, (4) pressuring creators to push past their internal boundaries (e.g., performing lewd acts) as they get sucked into the "black hole" of OnlyFans, and (5) struggling to stop private images and videos from being leaked and failing to prevent children younger than 18 from joining the platform. Work by feminist anti-porn activists like Andrea Dworkin and Catharine MacKinnon has been invoked in opposition to OnlyFans. Lana Rhoades and Mia Khalifa, both longtime top-searched-names on PornHub, have similarly come out against the porn industry for exploiting their trauma and pain. Many criticize the prevalence of phrases like "daddy dom, little girl" and "Lolita" (which both sexualize prepubescent girls) on OnlyFans.

## Agriculture

- **Fast Facts:** Agriculture comprises around 4% of global GDP yet matters tremendously for the world to avoid food insecurity, feed animal livestock, maintain global trade networks and supply chains, and produce raw materials used in nonagricultural applications (like corn being an essential component of ethanol or cotton being used in clothing). Furthermore, agriculture is particularly important for developing countries since approximately 75% of the global poor live in rural areas and rely on subsistence agriculture. On average, 58% of residents in low/middle-income countries work in agriculture—for example, Burundi at 86%, Niger at 70%, Chad at 68%, Uganda at 63%, Laos at 58%, Bhutan at 56%, and Haiti at 45%). In total, 500M households rely on small-scale "smallholder" farming and a similar amount rely on pastoralism (i.e., raising livestock like cows and goats). The most produced agricultural products are sugar cane, maize, rice, wheat, cow's milk, and potatoes; rice production is highest in Southeast Asia, wheat production is highest in China, maize production is highest in the US, and sugarcane production is highest in Brazil and India. Croplands cover about 12% of the Earth's ice-free land; cereals account for over half of that land. A majority (75%) of agricultural land is devoted to raising livestock. Over time, countries rely less on agriculture. For instance, in 1860, agriculture comprised 60% of US GDP yet 50 years later agriculture comprised just 15% of US GDP.
- **Productivity:** In the last half-century, increases in agricultural production and agricultural efficiency have come not from increased land use but from increased use of

science and technology: between 1960 and 2010, agricultural land use grew less than 0.2% annually while real agricultural output grew over 2% annually largely thanks to improved mechanization, fertilizers, irrigation, genetic engineering, crop rotation tactics, and agricultural education. Chemical fertilizers provide crops with minerals and nutrients to expedite growth, like phosphorus, nitrogen, potassium, and zinc; fertilizer also boosts crop yields by enriching soil, reducing crops' susceptibility to disease, and increasing plant density, and herbicides can eliminate harmful non-crop vegetation. Agricultural innovations have also increased agricultural productivity: drip irrigation systems can reduce water intensity by 80%, precision agriculture strategies can greatly increase factor efficiency, genetic modification technologies create new crop strains that are resistant to herbicides and pesticides and capable of growing in adverse conditions (like drought-resistant maize), and agricultural technologies like self-driving tractors, soil moisture sensors, and autonomous harvesting technologies can significantly reduce labor costs. Farming strategies, often requiring education, are also useful: crop rotation boosts soil fertility, crop covers reduce soil erosion, integrated pest management (IPM) keeps pest levels below injurious levels, and polyculture farming increases crop yields; conversely, avoiding inefficient farming practices, like slash-and-burn farming (which clears vegetation to grow crops on swiddens), is essential.

- **Commercial Agriculture:** The global agricultural value chain is complex. First, agro-centers sell critical inputs like pesticides and inorganic fertilizers; these agro-centers are often organized as cooperatives but sell inputs manufactured by corporations like Syngenta and BASF. Also involved in the acquisition of inputs are large seed companies like Bayer (which owns Monsanto), Corteva, and DuPont. Second, farmworkers—low-income smallholder farmers (who often farm for personal subsistence and sell surpluses on public markets), farmers employed by larger landlords/commercial enterprises, or industrial agribusiness conglomerates—plant and grow crops—a months- or even years-long process depending on the crop; in many parts of the world, farmers operate cooperatively, like through kibbutzim in Israel, collective farms in Southeast Asia, and Longo Maï farms in Europe and Central America. Third, raw agricultural products undergo primary processing (e.g., milling wheat into flour) and secondary processing (e.g., turning flour into bread). Large agricultural companies include Cargill, ADM, and Bayer.

### **American Anti-Black Racism**

- **Wealth and Influence:** White households have an average income of \$67K and average wealth of \$142K while Black households have an average income of \$30K; on average, Black women earn 37% lower salaries than equally qualified White men. The US faces around 6K hate crimes annually; 60% are racially motivated. While 88% of White students graduate high school, only 75% of Black students graduate high school and just 35% of Black students enroll in college. 72% of White families own homes while 42% of

Black families own homes. Black job applicants have, on average, a 15% higher chance of being called back for corporate job positions when they use White-sounding names. Just 6 companies in the Fortune 500 have Black CEOs, only 8% of C-suite executives are Black, and just 59 of the 535 voting members in Congress are Black. Just 9% of corporate management positions are filled with Black workers.

- **Education:** Black students are 54% less likely to be streamed into gifted and talented programs from a young age, 4 times more likely to be suspended during K-12 school (in total, up to 1.2M Black students are suspended *every year*), and far more likely to live in inner-city racially-segregated under-funded school districts (e.g., Mackenzie High School in Detroit, Newark Public Schools in New Jersey, and East St. Louis Senior High School in Illinois) especially relative to affluent suburbs just several miles away. That means Black students learn from fewer and lower-quality books, receive instruction from under-qualified and under-experienced teachers, learn in overcrowded under-resourced under-funded under-staffed schools, and lack access to computer technology, laboratory equipment, and college-preparatory educational curriculum; empirically, teacher qualification matters tremendously, possibly even more than race itself.
- **Health:** Black Americans face the highest child and maternal mortality rates, shortest life expectancies of any racial group in the US, and fewest opportunities for upward social mobility. Black Americans are less likely to have health insurance, more likely to live in food deserts, and—particularly in the rural south—more likely to live over twenty miles away from ER and trauma units. Medical racism is also a pressing concern: many Black patients are treated unfairly, subject to racist beliefs about the Black body, and ignored when expressing pain. Black communities have also been hit hard by COVID, the opioid epidemic, and alcohol abuse and drug overdoses.
- **Policing and Incarceration:** Black Americans are five times more likely to be incarcerated than White Americans. One in every eighty-one Black men is currently in prison and one in every three Black men will experience prison at least once in their life. Police search Black drivers' cars four times as often as White drivers' cars. America now has over 2.2M people locked behind bars; about 8% are incarcerated in private prisons. The War on Drugs has disproportionately affected Black men.

### **Art Museums/Galleries**

- Famous museums include the Louvre and Centre Pompidou in France, the Vatican Museums in the Vatican, the Tate Modern and British Museum in London, the Metropolitan Museum of Art in New York, the National Museum of Korea in Seoul, the State Hermitage Museum in Moscow, the Guggenheim in Manhattan, the National Art Gallery in Washington, the Museo del Prado in Madrid, the Uffizi Gallery in Florence, the Wawel Castle in Krakow (Poland), the Rijksmuseum in Amsterdam, and the NGV in Melbourne. Famous art pieces include Leonardo da Vinci's "Mona Lisa" (Louvre) and "The Last Supper" (Santa Maria delle Grazie), Vincent van Gogh's "Starry Night"

(Museum of Modern Art), Edvard Munch's "The Scream" (National Museum in Norway), Pablo Picasso's "Guernica" (Museo Reina Sofia), Gustav Klimt's "The Kiss" (Upper Belvedere in Austria), Johannes Vermeer's "Girl With a Pearl Earring" (Mauritius, Hague), Sandro Botticelli's "The Birth of Venus" (Uffizi, Florence), and Michelangelo's "Creation of Adam" (Sistine Chapel).

- Museums face many barriers to expanding access to art, encouraging artistic innovation, and ensuring diversity.
  - First, museums face financial constraints. Personnel costs are high: boards of trustees, administrative directors, artistic curators, collections managers, registrars, educators, exhibit designers, conservators, archivists, public programming staff, and security personnel. Operating costs are similarly high: upkeep of collections, maintenance of exhibitions, educational programs, curatorial activity, museum libraries, maintaining infrastructure, and ensuring security. Revenues alone are rarely enough because (1) audiences' demand is highly elastic so increasing admission costs or ticket prices backfires and (2) only elite museums like the Louvre enjoy millions of viewers. Instead, museums rely heavily on public support from federal and local governments, voluntary donations from museumgoers, sponsorship from companies, and contributions from wealthy private donors; museums also borrow and lend artwork from each other.
  - Second, museums face ethical dilemmas in administrative financing since many, perhaps even most, private donors have unsavory backgrounds. The Elizabeth A. Sackler Center for Feminist Art at the Brooklyn Museum is bankrolled by Elizabeth Sackler, whose family founded Purdue Pharma and profited from the opioid epidemic; the Sackler family has an entire wing in the Met named in their honor. For years (until protests forced his resignation), the Whitney Museum of Modern Art had been supported by Warren Kanders, the CEO of Safariland which manufactures tear gas used by the police. Larry Fink, the CEO of Blackrock which owns large stakes in the private prison industry, also serves as a trustee on the Museum of Modern Art's board of directors. James Coulter, a multi-billionaire with ties to the surveillance industry and military-industrial complex, is a major donor for the San Francisco Museum of Modern Art. Until June 2023, the oil giant BP had maintained a 27-year-long financial relationship with the British Museum in London.
  - Third, museums often suffer from poor representation—affording great opportunities to well-connected upper-class artists but denying prized displays to indigenous, Black, and queer artists for at least two reasons. (1) Many museums originated centuries ago as private collections for wealthy art patrons and hence have their roots in histories of elitism—for instance, Uffizi in Florence was founded in 1581 by the wealthy Medici family; furthermore, museums were

historically weaponized by elites to display their sophistication and prowess, which often meant displaying stolen and looted artifacts from colonial subjects. (2) Museums are most usually patronized by the upper-middle-class (who can afford entry and have greater leisure time) and the well-educated (who often have more exposure to visual art and may have greater ability to appreciate the “abstract”), which means museum viewers are not representative and hence incentivizes museums to appeal to a privileged clientele; furthermore, Western museum personnel are overwhelmingly white, exhibits are often captioned only in English, and museums, largely built in urban areas, are usually inaccessible to rural residents. (3) The art field is marred by inequity: social and familial connections are essential for breaking in as is attendance at prestigious art academies<sup>7</sup> (e.g., the Royal Danish Academy of Fine Arts in Denmark, the National School of Fine Arts in Paris, the Royal College of Art in London, and the Rhode Island School of Design in the US). Consequently, artistic norms are too-often molded by white Western men; for instance, for many decades, just 5% of the Met’s artwork was produced by women while over 85% of nude sculptures depicted women. The glorification of (subjective) artistic “genius” has further disenfranchised BIPOC and non-cis-male artists; for instance, just 1.2% of the global art auction market is spent on Black-produced artwork. (4) Even when museums and artistic elites nominally capitulate to progressives’ demands, the response is often mere virtue-signaling—wokeness for the wealthy; for example, at the LA Frieze Art Fair’s performance of the silent dance *Fuck White Supremacy, Let’s Get Free*, most dancers were White.

- Fourth, museums are inherently political. (1) Art tells stories and hence museums, galleries, and curators uplift selective stories while silencing others. (2) States often use museums to advance narratives. The Altes Museum in Berlin was built in 1830 and houses a great *rotunda* flanked by magnificent Corinthian columns to signal Germany’s aspiring ambitions. The Louvre was opened to the public in 1793 shortly after the French Revolution to court the public’s support for the new French Republic; later, Napoleon weaponized the Louvre to publicly champion the spoils of his foreign conquests. Stalin’s Soviet Union commissioned anti-religion art museums to promote a Marxist understanding of collective history. (3) Museums’ claim to ownership of artifacts and artistic works is political by nature; ownership is the ultimate and most intimate form of relationship as we infuse our own meaning into those objects which we hold in our possession. The British Museum’s possession of the Elgin Marbles, Rosetta

---

<sup>7</sup> Art academies have their downsides: (1) Tuition and housing costs are quite high; for instance, RISD tuition exceeds \$60K/year. (2) Art professors are often bad—they excel in art but struggle to teach and communicate effectively. (3) Art academies too-often demand rigid conformity from their students. (4) Tenured art professors are often old and out-of-touch with modern art markets, leaving art grads ill-prepared for promoting and marketing their artwork.

Stone, and Ethiopian Orthodox Tabots is case in point. Pressure from foreign governments has succeeded in many cases: LA's J. Paul Getty Museum returned three terra cotta figures to Italy, The Denver Art Museum returned four antiquities to Cambodia, the Smithsonian Institution returned 29 Benin bronzes to Nigeria, and the Manhattan District Attorney seized 27 looted artifacts from the Met and demanded their return to Italy and Egypt.

- Fifth, museums are facing a crisis of dwindling attendance. COVID decimated museum attendance; recovery has been slow. The rise of alternative leisure activities in the digital age makes art museums less competitive. That may not be devastating since a small number of art aficionados usually account for most of the museum attendance, as the more knowledgeable one is about the arts, the more likely they are to patronize a museum.

## **Monopolies**

- Real-world examples of private monopolies include John D. Rockefeller's Standard Oil (which monopolized America's oil industry until being trust-busted in 1911) and Microsoft's Windows operating system (which monopolized America's software and web browser landscape in the 1990s and enabled Microsoft to raise prices until the FTC sued in 1999). Other examples include the British East India Company (which dominated commodities trading in the British Empire), De Beers (which has *de facto* monopolized the global diamond trade), Companhia União Fabril (which dominated Portuguese commerce during the early 20<sup>th</sup> century), United Fruit Company (which monopolized the banana trade in South America), and Visa and MasterCard (which have duopolized the global credit card industry).
- Natural monopolies are usually owned/controlled by the state—for instance, railways, utilities companies, postal services, airports, and hospitals. Many resource-extraction, mining, and media companies are also state-owned.
  - Resource SOEs: PetroSA (South Africa oil), Sonatrach (Algeria oil), Libya's National Oil Corporation, NNPC (Nigeria oil), Sudapet (Sudan oil), SOCAR (Azerbaijan oil), GSPCL (India's Gujarat oil), Pertamina (Indonesia oil/gas), NIOC (Iran oil), INOC (Iraq oil), KazMunayGas (Kazakhstan oil/gas), Petronas (Malaysia), Saudi Aramco (KSA oil), Ceypetco (Sri Lanka oil), KNOC (South Korea oil/gas), Equinor (Norway gas), Gazprom, Lukoil, and Rosneft (Russia oil/gas), YPF (Argentina oil/gas), YPFB (Bolivia oil/gas), Petrobras (Brazil oil/gas), PDVSA (Venezuela oil).
  - Media SOEs: Arte (France TV), Belgischer Rundfunk (Belgium radio), ARD (Germany radio), Belarusian Radio, Sveriges Radio (Sweden radio), BBC (UK news media), Hellenic Broadcasting Corporation (Greece), RAI (Italy radio), TPA (Angola, news media), BRTC (Bahrain TV), EBC (Brazil public broadcasting), CRTV (Cameroon broadcasting), CCTV (China TV) and private firms regulated

by the Cyberspace Administration of China, Bangladesh Television (“BTV”), KRTK (Kyrgyzstan TV), PTV (Pakistan TV), RT (Russia news media).

- Monopolies are bad: (1) Monopolies abuse their market power to raise prices, reduce quality, undermine consumer choice, and limit output levels; when markups greatly exceed marginal production costs, consumers pay higher prices for worse products. (2) Monopolies’ economies of scale erect steep barriers of entry, deterring new market entrants (and lending to innovative start-ups and burgeoning SMEs) and hence reduce innovation, research, and development. (3) Monopolies are self-entrenching because they become socio-political behemoths capable of lobbying governments, capturing regulatory agencies, influencing campaigns and elections, and choking competitors in thickets of litigation and patent protection; furthermore, IT oligopolies influence information diffusion. Additionally, monopolies grow dominant across supply chains by locking competitors out of distribution networks, vertically integrating with intermediary suppliers, and cross-subsidizing losses. (4) Monopolies act as monopsonies thereby reducing workers’ bargaining power, crushing unions, slashing wages, and accelerating income inequality; their human resources and legal departments enable regulatory evasion and labor rights violations, just as monopolies can spend heavily on whitewashing advertising campaigns. (5) Monopolies grow too-big-to-fail—lobbying for tax exemptions, lavish subsidies, and bailouts— incentivizing excessive risk-taking. (6) Monopolies suffer from x-inefficiencies (i.e., organizational slack raises production costs) and diseconomies of scale (e.g., communication, unintended duplication efforts, promotion of incompetent managers, informational asymmetries, corporate inertia, and self-cannibalizing competition).
- Monopolies are good: (1) Monopolies reduce prices through economies of scale (i.e., increased production at diminishing costs), horizontal and vertical integration (i.e., directly procuring rather than buying intermediate goods reduces production costs), synchronizing supply and demand across intermediary suppliers (i.e., guaranteed demand from large companies reduces input price volatility), establishing long-term relations with suppliers (hence reducing negotiation costs, reducing search and information costs, and eliminating hold-up risks), and accessing abundant credit in private debt/bond markets. (2) Monopolies have incentives to keep prices low: intense scrutiny from the media, fears of antitrust litigation, concerns about attracting regulators’ attention, competition from adjacent industries, firms producing substitute goods, and intra-company competing departments, and the threat of PE/VC-backed competitors entering the market. (3) Monopolies promote innovation because their cheap access to debt increases R&D capacity, their prestige attracts top talent, their ability to cross-subsidize losses fosters the risk-tolerance needed for innovative risk-taking, and the impossibility of short-term bankruptcy incentivizes long-term R&D investments. (4) Small firms benefit from large monopolists when tech-savvy business-inexperienced inventors’ start-ups are bought by large companies with the business expertise to bring promising ideas to markets;

furthermore, a monopoly's existence incentivizes innovation/entrepreneurship for hopes of being bought out. (5) Monopolies often create large networks with positive externalities (e.g., Apple's App Store or Oracle's Java library). In fact, companies usually become monopolies due to their innovativeness and cost-cutting dynamism. Should markets remain contestable even post-monopolization, single-company dominance is good (especially in highly contestable markets where "hit and run" competition is viable).

### **Moral Philosophy**

- Defending utilitarianism: (1) Ontological/deontological claims are often grounded in utilitarianism (e.g., "don't lie"). (2) Deontology is impossible: either no objective moral framework exists (in which case deontology is null) or such a framework does exist, in which case we cannot access/identify that framework. (3) Pain and pleasure are certain moral constants. (4) Deontology presupposes humans' free will; that is unlikely. Agency is an instrumental good.
- Defending deontology: (1) Consequences are intuitively not the only game in town; humans are not mere bags of utility-maximizing chemicals nor are our feelings numbers on a "utility spreadsheet." Humans possess intrinsic moral features, like dignity. (2) Consequentialism can justify terrible outcomes, like slavery or colonialism. (3) Consequences are inherently uncertain whereas the intent of an action is morally sacrosanct because there's no uncertainty involved, there's no speculation involved. (3) Consequentialism is underpinned by deontology (e.g., animal rights).
- Instrumentalization is wrong: (1) Consider human dignity: it's wrong to use someone as a means to an end because it ignores the intrinsic value of that person. People are moral agents with meaning and value: it's wrong to co-opt that moral agent simply for utilitarian gain. We aren't meant to be servants of consequentialism. (2) Consider individuality: different people find value in different things, and we recognize that individuals are the only source of intrinsic morality. Given this, it's wrong to use someone else to fulfill your conception of utility. (3) Consider objectification: in principle, we cannot permit people to be treated as mere objects, since it robs them of their intrinsic moral worth as a person.
- Self-defense is just: People have rights—and when those rights are threatened, you have a right to act in defense of those rights, even if it necessitates trampling over the rights of your aggressor, since they made a choice to forfeit their rights when they tried to prioritize their own interests above yours.
- Act-Omission Distinction: Choosing not to act ("inaction") also carries moral weight. [Distinction] Choosing to do something means that you intended to cause some outcome, whereas inaction carries a less intense degree of intent—maybe something bad happens, but you didn't *will* that to happen through your own choice. [No Distinction] Choosing not to act is itself a distinction.

- Future Generations: [Prioritize] There will be many more people in the future and people in the future probably have a lower baseline quality of life. [Deprioritize] Existential uncertainty: future decisions' existence is speculative. We are better equipped to solve the problems of today than the problems of the future. Instrumentalizing present generations is unjust.
- Autonomy is important: (1) Autonomy is logically prior to utility. (2) Bodily autonomy is essential; limits demand a compelling justification. (3) Autonomy is preference-maximizing and hence compatible with consequentialism. Bans are justified (1) to protect third parties (e.g., fist swinging), (2) to protect one from future harm (e.g., seat belts), and (3) to protect one from unforeseen harms one cannot consent to (e.g., misleading information).
- Free will. [Doesn't exist] (1) Neuronal Determinism: human decisions, biologically, are simply the outcome of a series of chemical and synoptical processes. (2) Environmental Conditioning: human decisions are based off past experiences, memories, interactions, relationships, etc. (3) Determinism/indeterminism. (4) Bertrand Russell's teapot. [Does exist] Compatibilism: the universe operates with law-like order, but actions can be made ("determined") from within.

### **Populist Politics**

- Populism includes (1) cultural populism, which is often steeped in ethnonationalism and nativism and defines itself in opposition to non-native members (e.g., immigrants, criminals, and cosmopolitan elites), (2) socioeconomic populism, which often focuses on the hard-working middle class and its exploitation (e.g., by big businesses, capitalists, and international neoliberals), and (3) anti-establishment populism, which often rails against political elites, special interests, and institutions. Populism has several important characteristics:
  - First, populists champion the “people,” portray the common welfare as being opposed by elites and institutions, and claim that no barriers, nominally democratic or otherwise, should stand in the way of the popular will. For instance, Venezuela’s Chavez championed “Chávez es Pueblo” (or “Chavez is the people”) as a key campaigning message. Similarly, Peru’s Fujimori frequently declared himself a “presidente como usted” (or “a president like you”).
  - Second, populists (on both the left and right) commonly reject elites and elitism by opposing political correctness, using vulgar language and profanities, and glamorizing the wisdom of the commoner. For instance, American populists like Trump and DeSantis have railed against “political correctness” and the “woke hivemind.” Similarly, the UK’s Nigel Farage has embraced notions of “white victimhood.”
  - Third, populists are anti-pluralist since they create socioeconomic in-groups (“insiders”) and out-groups (“outsiders”). Elites are common targets: Ivory Tower

technocratic experts in government ministries, commercial tycoons and well-networked oligarchs, party leaders and elected politicians, and cosmopolitans enamored with an internationalized culture. Marginalized groups are another common target: migrant workers blamed for crime spikes and job losses, foreign refugees demonized for terrorism, ethnic minorities castigated for undermining social cohesion, and so forth. Populism bifurcates the “common man” from the “illegitimate” and “unacceptable.” Populists rarely manufacture sociocultural cleavages but rather exploit underlying tensions; hence, populism may threaten democracy but usually arises when democratic institutions—the media and the judiciary for instance—have already decayed. Populists highlight that decay where mainstream parties turn a blind eye and promise fantastical (and frequently backwards) solutions.

- Fourth, populists brandish anger as their weapon of choice. Populists manufacture crises by linking isolated policy failures (like migrant inflows) to broader anxieties (like job loss or national security). Populists also tap “third rail” issues currently sidelined by the political mainstream like EU accession or trade policy; populists then antagonistically re-politicize those issues, excoriating ruling elites for depoliticizing and de-democratizing important matters of public policy.
- Fifth, populists embrace strongman politics—often at the expense of democratic institutions (like limits on executive power and constitutional rights protections) and anti-majoritarian safeguards (like a free press and independent judiciary) for populists condemn these non-democratic non-politicized institutions as barriers to the popular will. Populist-manufactured crises (like drug inflows and crime surges) justify the weakening of inconvenient (but much-needed) democratic checks. And by lambasting the democratic forces of the status quo—parties, figures, judiciaries, media organizations, civil society organizations—populists gain public support to gradually erode those forces. Herein lies populism’s great paradox: populism is antithetical to democracy, yet populism subverts democracy through appeals to democracy. For example, when Hugo Chavez was first sworn in as Venezuela’s President in 2009, he announced: “I swear in front of my people that over this moribund constitution I will push forward the democratic transformations that are necessary so that the new republic will have an adequate Magna Carta for the times... The Constitution, and with it the ill-fated political system to which it gave birth 40 years ago, has to die.” Similarly, Poland’s Law and Justice party has harshly criticized the undemocratic EU bureaucracy in Brussels for robbing Polish voters of “sovereign democracy.”
- Sixth, populism tends towards personalism and cults of personality; after all, populism requires strong (and centralized) leadership. Venezuela’s Chavez framed himself as a modern-day Simon Bolivar, Argentina’s Néstor Kirchner and CFK (Cristina Fernández de Kirchner) call themselves the modern Juan and Eva Perón,

Macedonia's former PM Nikola Gruevski portrayed himself as akin to Alexander the Great, and Italy's Silvio Berlusconi has analogized himself to the "Jesus Christ of Italian politics." Additionally, populists embrace direct connections with the people to bypass nondemocratic intermediaries like the media; for instance, India's Narendra Modi holds monthly broadcast interviews with regular Indians over Mann Ki Baat like Chavez's Aló Presidente weekly unscripted talk show on Sunday mornings.

- Populism's popularity is indisputable—and has grown more than four times since 1990. Populists have risen to power across the globe: Brazil (Bolsonaro), the US (Trump), Turkey (Erdogan), India (Modi), el-Sisi (Egypt), Shinawatra (Thailand), Kagame (Rwanda), Museveni (Uganda), Ortega (Nicaragua), Duterte (Philippines), Kaczyński (Poland), Orbán (Hungary), Tsipras (Greece), Maduro (Venezuela), Netanyahu (Israel), Lukashenko (Belarus), Widodo (Indonesia), and Nkurunziza (Burundi, pronounced "oon-krun-zee-zah").
- In particular, Latin America has a long history of populism (e.g., the Pink Tide) including Hugo Chavez (Venezuela), Evo Morales (Brazil), CFK (Argentina), Lula da Silva (Brazil), and Rafael Correa (Ecuador). A "new" Pink Tide may be underway with Gabriel Boric (Chile), Xiomara Castro (Honduras), formerly Pedro Castillo (Peru), Luis Arce (Bolivia), Alberto Fernández (Argentina), and Mexico's AMLO (i.e., Andrés Manuel López Obrador).

### **European Populism**

- **Law and Justice Party:** Poland's PiS (Law and Justice) is led by Jarosław Kaczyński and commands a governing plurality in Poland's bicameral parliament. Law and Justice is softly Eurosceptic ("the EU should benefit Poland and not the other way around"), supports extensive state intervention in the economy, pushes for strong anti-corruption and lustration mechanisms, and opposes abortion and gay rights. Since assuming power in 2015, PiS has accelerated democratic backsliding in Poland by reducing judicial independence, curtailing public media, limiting civic activism, and corrupting state enterprises.
- **National Front:** Marine Le Pen's National Rally (formerly, National Front) is a far-right French political party strictly opposed to illegal immigration, critical of (though not opposed) to the European Union, supportive of protectionism and state intervention in the economy, opposed to sanctions on Russia, and hostile to France's military presence in Africa. The xenophobic and Islamophobic National Rally is France's second-largest party trailing only Emmanuel Macron's Renaissance.
- **Brothers of Italy:** The (far-right populist) Brothers of Italy, led by PM Giorgia Meloni, and the (catch-all populist) Five Star Movement (M5S) are populist parties in Italy. Brothers of Italy, loosely descended from Mussolini's fascism, is now Italy's largest party and stiffly opposes illegal immigration, supports limitations on migration into Italy,

opposes gay marriage, strongly support pro-natalist policies (e.g., increased child benefits, reduced VAT rates on nappies, baby bottles, and formula, and free childcare), and champions family and Christian values.

- **Sweden Democrats:** The Sweden Democrats are a far-right (though recently moderated) populist party with substantial influence in the Riksdag as the second-largest party; the SD provides support to the ruling three-party center-right coalition led by Ulf Kristersson's Moderate Party, the Christian Democrats, and the Liberals. The Sweden Democrats have their roots in white nationalist and neo-Nazi circles but since 2005, the party has made sincere efforts to expel hardliners and improve its image.
- **Syriza:** Greece's Syriza, formerly led by Alexis Tsipras, is a left-wing populist party which won the January 2015 elections (and governed until 2019), upsetting the traditional dominance of New Democracy and Pasok. Syriza is the main opposition party in Greece and (ideologically) opposes austerity, embraces soft Euroscepticism (but backed away from Grexit in 2015), embraces progressive and leftist social values, opposes privileges given to the Church of Greece, and rhetorically opposes neoliberalism.
- **Freedom Party of Austria:** The FPÖ is Austria's third-largest party (earning 16% of the national vote in the 2019 elections) and supports pan-Germanism ("Heimat" or "homeland"), anti-clericalism, strongly opposes Turkey's accession to the EU, and has historical ties to neo-Nazism.

## **Higher Education**

- **Fast Facts:** While 90% of the world's population has access to primary education and 66% has access to secondary education, less than 40% of the world enrolls in university; even fewer graduate. In OECD countries, further disparities arise; while 47% of women earn university diplomas only 32% of men do; that difference exceeds 25% in Iceland, Poland, Slovakia, and Slovenia but is minimal in Germany, Mexico and Switzerland. In OECD countries, approximately 11% of young adults enroll in vocational programs.
- **Access Barriers:** (1) University is prohibitively expensive. Tuition, accommodation, and book fees pose steep financial barriers. Even when countries heavily subsidize tertiary education (e.g., Brazil, Denmark, Germany, Argentina, Austria, Malaysia, Panama, Turkey, and Uruguay) tuition fees and living expenses remain high; for example, just 9% of young adults in sub-Saharan Africa are financially able to enroll in college. Moreover, even when tuition is affordable, impoverished students often face a high opportunity cost to attending university. (2) Students from disadvantaged backgrounds often attend underfunded and under-resourced schools with non-rigorous curricula (e.g., few AP or IB classes), low-quality instruction (e.g., under-qualified teachers), high dropout rates, and poor-quality materials (e.g., textbooks, laboratory equipment, and laptops). Consequently, such students are (a) deprioritized in the competitive university admissions process, (b) frequently unable to graduate secondary school let alone attend university, and (c) most importantly, lack adequate prior preparation hence increasing their likelihood of dropping

out of university. (3) Universities are geographically inaccessible: major universities, especially in developing countries, are usually built in urban areas (e.g., Al-Azhar University in Cairo, Chulalongkorn University in Bangkok, Peking University in Beijing, and IIT Bombay in Mumbai) or in affluent suburban areas (e.g., private liberal arts colleges like Williams) and hence isolate students from rural backgrounds; university is also a culture shock to many students from poor and minority backgrounds especially from rural areas. (4) Social, cultural, legislative, and religious barriers prevent students from accessing university. In many countries (e.g., Chad, Mali, Afghanistan, Central African Republic, and Niger) women are *de jure* or *de facto* prohibited from entering university. In others, racial and ethnic minorities face exclusion (e.g., India's Muslims comprise 14% of the overall population but just 4.6% of university students). (5) Universities are often over-enrolled and under-resourced especially when state resources are limited; intense competition for seats in university halls leaves many excluded.

- **Economics of Tertiary Education:**

- Students attend university for (1) consumption reasons (e.g., a desire to learn and consume information) and (2) investment reasons (e.g., an interest in upskilling).
- Students economically benefit from attending university by (1) acquiring knowledge and skills which boost competitiveness in labor markets and (2) signaling competence via university credentials to prospective employers.
- Economically, governments fund universities because (1) higher education has positive non-economic and non-educational externalities (e.g., improved intra-familial stability, (2) improving higher education systems begets human capital spillover effects (e.g., highly-educated workers benefit the wider economy), (3) private lenders hesitate to offer student loans given (a) human capital cannot be seized as collateral like a house after mortgage default, (b) banks are poorly equipped to assess potential returns from a university education, and (c) the students most likely to default are those most likely to borrow (i.e., adverse selection) and hence, private capital markets for student loans tend to be illiquid thereby justifying government intervention, (4) pursuing a university degree is risky since students pay upfront despite lacking high-quality information about educational quality, and (5) public subsidies for attending university correct the distortionary effects of income taxes. Further, university operates as a *customer-input* good since students both produce and consume education (e.g., consuming via lectures and producing via student-student interactions).
- Governments can fund universities either through (1) direct support to students (e.g., scholarships/financial aid for low-income students, low interest rates on student loans, or subsidized public transport for university students, although such mechanisms may backfire by increasing demand for universities) or (2) direct support to universities (e.g., research grants, tax exemptions, and contracts with university faculty); such support is often performance-based (e.g., in the

- Netherlands, universities receive greater funding from Amsterdam for enrolling and graduating more students).
- Why do universities conduct research? (1) Combining teaching and research exploits economies of scope. (2) University missions/mottos usually codify a dual commitment to both produce and spread knowledge. (3) Cutting-edge research attracts top applicants, high-performing students, and leading professionals. (4) Research programs attract grant funding and private philanthropy. (5) University research strengthens ties with the private sector (e.g., healthcare institutions involved in clinical medical trials). (6) Professors care deeply about research: they often mentor graduate/doctoral students performing independent research, take pride in their scholarly work, and benefit personally (e.g., personal reputation, intellectual property, and so on).
  - Research (STEM), scholarship (humanities/social sciences), and creative work (arts) are all essential. (1) Universities concentrate brilliant scholars, collective expertise, and technical facilities; hence, universities are unusually well-positioned to advance knowledge. (2) Research benefits everyone since knowledge is needed for societal advancement (e.g., a deeper understanding of human organs aids pharmaceutical innovation, and deeper knowledge of societal racism improves anti-racist public policy efficacy). Further, research directly improves human lives (e.g., affirming minorities' sense of alienation or patenting life-improving technologies). (3) Knowledge accumulation is a moral good unto itself. (4) Good professors integrate their research into their teaching; that energizes students and excites the next generation of forward-looking scholars. Students have opportunities to participate in research, learn how to use state-of-the-art technologies, and learn on the forefronts.
  - Most research is funded outside of university channels—namely, through government grants (e.g., National Institutes of Health, National Science Foundation, and National Endowment for the Humanities), public agencies (e.g., agriculture, energy, and health ministries), and private-sector funding (e.g., private philanthropy, family foundations, NGOs, multilateral organizations, and private companies).
  - **Social Good:** (1) Universities are laboratories of social progress. For example, the 1988 pro-democracy protests in Myanmar, spearheaded by Aung San Suu Kyi, began with demonstrations by students at the University of Yangon. Brazil's National Union of Students, largely based around the University of São Paulo, has successfully pushed for wide-ranging liberal reforms within Brazilian politics. The “Chilean Winter” of 2011 saw Chilean university students protest against rampant inequality. In many sub-Saharan African countries, student activism played an important role in the fight for decolonization. (2) University health centers often provide healthcare support to local communities.

- **Dutch Education Case Study:** In the Netherlands, students attend an eight grade long elementary school (“basisschool”) and then take the *Cito* aptitude exam to determine, alongside teacher and parent input, whether they should enroll in a polytechnic, pre-vocational, or college preparatory secondary school. From there, students can enroll in HBO professional training (culminating in a bachelor’s or master’s degree) or WO academic training. The Netherlands has approximately 20 universities which are heavily and centrally regulated by the state Ministry of Education.

### **Indigenous Oppression**

- **Land Sovereignty:** Land is essential to indigenous communities: (1) Land is crucial for economic development—in particular for farming and livestock grazing; for example, the Washoe Tribe in Nevada grows squash, corn, and beans in community gardens. Additionally, land helps secure indigenous communities access to water resources. (2) Land and culture are delicately intertwined: key foods like fish, honey, and edible plants provide not only nourishment but the maintenance of communal traditions; for example, the Gunditjmara people of South-Western Victoria use indigenous aquaculture systems to catch eels in freshwater rivers near Budj Bim. (3) Indigenous communities often harvest crucial ingredients for indigenous herbal medicines from local lands; for instance, many First Nations communities use eucalyptus oils, desert mushrooms, emu bushes, and goat’s foot flowers. (4) Land rights are crucial for native peoples’ claims to self-determination and sovereign nationhood: to have a home is to have ownership of land. Effective self-governance borders on impossible without well-established legal rights to land ownership and recognized sovereignty. However, land rights face many threats: (1) Indigenous-populated lands, even when legally recognized, is increasingly under attack by companies (e.g., Cargill and JBS logging in Yanomamo- and Kayapo-inhabited areas in the Amazon Rainforest), oil conglomerates (e.g., ExxonMobil crudely extracting tar sands in Alberta where Dene and Cree First Nations live), pollution-intensive industries (e.g., the Ecuador’s Kofan peoples’ Aguarico River becoming darkly choked with black oil spills), governments (e.g., Nigeria’s execution of indigenous activist Ken Saro-Wiwa of the Ogoni people), and organized crime (e.g., Yaqui activist Tomás Rojo being murdered in Mexico for his land rights advocacy). (2) The historical Christian doctrine of the “Doctrine of Discovery” gave colonizing forces legal claims to *terra nullius* (“empty land”) inhabited by indigenous peoples—and indigenous communities were often forced off their land and relocated to worse areas where land has limited agricultural, residential, and commercial uses; hence, indigenous communities often live in desolate impoverished areas far from urban centers. For example, India’s Adivasi people have been forced off coal-rich lands by India’s state-owned coal company. (3) Displacing indigenous communities often drives social and political conflict; for example, Kenya’s 2008 electoral violence was partially centered around the historical displacement of coastal indigenous communities and nearly two-thirds of violent conflicts in Indonesia’s

Kalimantan are caused by disputes between palm oil companies and indigenous communities. Displacement is also culturally disruptive (e.g., Mayan peoples throughout Mesoamerica, especially Guatemala, feel a strong ancestral and spiritual connection to their land) and emotionally crushing (e.g., displaced Guarani-Kaiowa peoples in Brazil commit suicide 34 times more than the national average, e.g., 42% of Ecuador's Shuar peoples evicted from Tsuntsuim by a mining company experienced trauma and depression).

- **Public Services:** Indigenous communities are disproportionately affected by unequal access, especially with respect to healthcare. (1) Geographical barriers limit indigenous access to public services. Many indigenous communities live far away from suburban/urban areas where medical (e.g., hospitals or outpatient clinics) and educational (e.g., universities) institutions are well-developed; many indigenous peoples feel (legitimately) scared to travel to an isolating and demoralizing environment. Low-quality infrastructure (e.g., a lack of paved roads) makes transportation to these facilities difficult (especially in hazardous climates). Poor access to high-speed Internet limits access to online medical/educational resources. (2) Sociocultural barriers further hamper access to public amenities. Language barriers (e.g., indigenous communities may not be fluent in French, English, or Spanish) deter community members from engaging with public services. Cultural insensitivity amongst healthcare and educational providers (e.g., teachers, nurses, and doctors) often leads to ignorance about the social determinants of health and a lack of familiarity with traditional indigenous medicinal practices; for example, doctors often harmfully assume indigenous patients are drug or alcohol addicts and hence hesitate to prescribe medication for fear of abuse. Past experiences of discrimination and racism deter continued engagement with institutions. (3) Indigenous communities, on average, receive less education and lower compensation than non-indigenous communities which, in turn, reduces the affordability of health insurance and precludes educational expenditures. Many First Nations reserves and reservations lack on-site trained medical personnel; even when such personnel exist, wait times are long and specialist treatments are unavailable. Moreover, few indigenous communities access screening or preventative medicine. (4) Indigenous communities are frequently (and rightfully) hesitant to make use of public services due to histories of trauma and colonization. The enduring socio-political and socio-cultural legacy of colonialism bars indigenous communities from influencing public policy. (5) The brutalizing history of residential schools (especially in the US, Canada, and Australia) combined with culturally insensitive educational curricula limit indigenous enrollment in higher education.
- **Culture:** Indigenous culture has been battered by forced assimilation programs (e.g., residential boarding schools in Canada, the US, and Australia where indigenous students were converted by Christian missionaries, forced to relinquish traditional ways of life like clothing, foods, and haircuts, and mocked for their indigenous roots) and outright

genocide (e.g., Brazil's violence against Amazonian tribes, DRC's violence against the Mbuti, Lese, and Ituri peoples, Guatemala's genocide against the Mayas, IS massacres of Yazidi indigenous Kurds in Iraq, Paraguay's murder of the Aché people, Peru's Fujimori's forced sterilization of 300,000 indigenous women, and Sri Lanka's violence against indigenous Tamils). Transgenerational trauma and internalized oppression lingers. Eduardo Duran, an indigenous writer, noted: "Once a group of people have been assaulted in a genocidal fashion, there are psychological ramifications. With the victim's complete loss of power comes despair, and the psyche reacts by internalizing what appears to be genuine power—the power of the oppressor... Self-worth... has sunk to a level of despair tantamount to self-hatred." Internalized hatred, especially in men, is closely linked to violent outbursts. Unsurprisingly, four in five indigenous women in the US and Canada experience physical or sexual violence in their life. Moreover, globalization has intensified pressures to assimilate and led to cultural appropriation and commodification of indigenous ways of life.

- **Poverty:** Indigenous communities comprise 6% of the global population (around 476M people) but 19% of those in extreme poverty. Why? Indigenous people face endemic discrimination. In hiring, many indigenous individuals struggle to find gainful employment, suffer from wage discrimination, and lack political capital; lower literacy rates, cultural racism and stereotyping, low self-esteem, housing instability, lack of state identification (especially driver's licenses), limited transportation opportunities, and inadequate child-care mechanisms add to those hardships. In development, reservations are shattered by corporate greed, extractive projects, non-indigenous settlers, and imperialist governments. Moreover, Indigenous communities are often confined to sparsely populated secluded territories where the economic outlook is grim; for example, over half of Canada's Inuits and Métis live in remote rural areas with fewer than one-thousand people. Poor infrastructure denies indigenous communities access to clean water and sanitation services. Environment-dependent reservations are under threat from climate change.

### **Relationships Imbalances**

- **Gender Imbalances:** Men often have the upper hand in relationships. Men are often the breadwinners and hence control the purse strings. Patriarchal social, communal, and religious values enable men to demand constant love from women even as they themselves fail to reciprocate. Gender norms, reinforced through media and stereotypes, encourage women to take supportive roles (like domestic labor) while men are encouraged to be primary providers and decision makers; similarly, misogynistic social norms entice women from a young age to be more submissive but incent men from a young age to be more dominant. Even when men are not "hostile sexists," they are often "benevolent sexists" (e.g., "women need men's protection," modern-day chivalry, and the glorification of motherhood) and hence control women's behavior even with good

intentions; after all, male–female interdependence and coexistence means many (perhaps most) men eschew outright sexism. Furthermore, decision-making power is often deferred to the partner *perceived* as the more legitimate authority; hence, even though women do have substantial bargaining power in many relationships, men often retain dominance.

- **Correction:** (1) Gender imbalances must be identified by the power-imbalanced partner—either internally through introspection or externally through exposure to other perspectives—before they can be called out and corrected. (2) Broaching these conversations is scary; emotional support and empowerment is essential. (3) Correcting gender imbalances requires healthy discussion within relationships in which both partners feel comfortable talking about their grievances. (4) Reducing gender imbalances requires a clear understanding of the counterfactual (i.e., granularly, how domestic duties can be divided evenly) to ensure buy-in; here, positive “role model” relationships help. (5) *Post-hoc* guilt may quickly reverse positive changes; validating women’s feelings is critical. (6) Reducing financial dependence facilitates this process.
- **Relationship Abuse:** Partners are abusive for many reasons: histories of trauma may create learned behaviors of abuse, low self-esteem may lead people to act controllingly to reassert power, a sense of entitlement may make abusers feel they can mistreat their partner, external factors (like stress, substance abuse, or mental illness) may lead to violent lash-outs, and sociocultural toxic values (e.g., masculine notions of aggression and physicality and media portrayals which sexualize and objectify women) can beget abuse. Commonly, abuse is cyclical: tensions build (e.g., a verbal fight), an incident occurs (e.g., emotional or physical abuse), reconciliation occurs (e.g., an abuser manufactures excuses, blames the victim, or downplays the victim’s experiences), and an amnesiac period of calm follows (e.g., the incident is forgotten or banned from discussion).
  - **Enter Toxic Relationships:** People’s past experiences with abuse or trauma may lead people to look for relationships which replicate those characteristics. Initial feelings of love may lead people to overlook red flags. People may suffer from low self-esteem and feel undeserving of healthy relationships. After past breakups, people may re-enter dating too quickly and settle for low-quality “rebound” relationships.
  - **Barriers to Leaving:** (1) Victims are often gaslit (e.g., “you are overreacting” or “you’re at fault, not me”); indeed, abusers often socially isolate victims and cut off access to information. (2) Financial and emotional dependence traps people in toxic relationships. (3) Victims may idealize their partner or rationalize abuse as “deserved.” (4) Even when people acknowledge toxicity, they may feel a duty to “fix” or “rescue” their partner. (5) Learned helplessness (an expectation that abuse is independent of one’s behavior) leads many victims to believe they are

powerless to stop abuse; this phenomenon breeds depressive symptomatology. (6) A psychological “sunk cost” entrapment belief deters victims from leaving: many feel they have already invested so much emotional energy and time into the relationship that (a) they are on the (perceived) brink of affecting real change and (b) leaving would be futile since they just need to be more compliant or affectionate. (7) Abusers often trap victims in isolated environments (e.g., staying at home or caring for children) where they cannot develop/refine assertive/refusal communication tools (e.g., how to confidently express consent). (8) Even when victims leave abusive relationships, they often return to their batterers due to (a) resource constraints (e.g., homelessness and food insecurity), (b) fears about child custody, (c) post-breakup depressive spirals lead to deteriorating self-esteem, and (d) post-breakup loneliness begets nostalgia/romanticization of past relationships. (9) Toxic relationships deter open communication; broaching issues in a relationship is therefore difficult.

- **Correction:** Help-seeking is a multi-step process: (a) determine there is a problem, (b) rightly attribute that problem to the relationship (i.e., avoid self-blame or excuse-generating), (c) determine that the costs of help-seeking (e.g., fear of shame, stigma, or humiliation) are offset by the benefits of help-seeking, (d) determine who can (and will) provide assistance (e.g., confidants like friends, online resources, officials like therapists or the police, and so on), (e) solicit help from external sources, (f) internalize and process their input/advice, and (g) actualize that advice.

### **Life of Jesus**

- **Birth:** After the Annunciation by archangel Gabriel, Jesus Christ of Nazareth, son of the virgin Mary, was born in Bethlehem in Judea as “King of the Jews,” the Christian Messiah, and Son of God; the Magi (Three Shepherds) welcome Him with gifts (gold, frankincense, and myrrh). Fearful, King Herod ordered the Massacre of the Innocents.
- **Baptism:** Jesus was baptized by John the Baptist at Al-Maghtas; upon his baptism, the Holy Spirit descended upon Jesus and proclaimed: “This is my beloved Son, in whom I am well pleased.” Jesus then fasted for forty days and forty nights in the Judean Desert, where the Devil tempted Him towards sin but to no avail.
- **Twelve Apostles:** After praying on a mountainside, Jesus, then preaching in Galilee, called forth and appointed his Twelve Disciples, men of humble backgrounds: Peter, Andrew, James, John, Philip, Bartholomew, Matthew, Thomas, James (Son of Alphaeus), Simon the Zealot, Judas (Son of James), and Judas Iscariot. Subsequently, Jesus summoned the Mount of Beatitudes in Israel and issued his famous Sermon on the Mount.
- **Peter’s Confession:** At Caesarea Philippi, Peter the Apostle confessed to Jesus that “you are the Messiah, the Son of the living God,” to which Jesus responded “on this rock I will

build my church, and the gates of Hell will not prevail against it. I will give you the keys of the Kingdom of Heaven; whatever you bind [prohibit] on earth will be bound in Heaven, and whatever you loose [permit] on earth will be loosed in Heaven.” Many regard this directive as the basis for papal infallibility.

- **Miracles:** Throughout his life, Jesus performed miracles: turning water into wine, healing the sick, performing exorcisms in Capernaum and Gerasene, curing the blind man of Bethsaida, resurrecting Lazarus of Bethany, and Jairus’ daughter, cleansing men of leprosy, healing a man’s withered hand, restoring the ear of Malchus, feeding the multitudes with bread and fish, walking on water, and so forth.
- **Teachings:** Jesus lived humbly and faced rejection (e.g., synagogues rejecting Jesus’ teachings and Samaritan communities refusing Jesus as the Jewish Messiah). Still, he preached through sermons and instructed through parables—dozens, in fact. Famous parables include the parable of the sower (i.e., faith must be rooted in an understanding of Jesus), the parable of the weeds (i.e., good and bad people will live together but only the good will be separated and rewarded in heaven), the parable of the mustard seed (i.e., God’s Kingdom will grow ever-larger), the parable of the prodigal son (i.e., show mercy), the parable of the pearl (i.e., the Kingdom of Heaven is the greatest treasure of all), the parable of the faithful servant (i.e., the faithful must always be ready for the Second Coming of Christ), the parable of the wise and foolish builders (i.e., through faith alone will people weather the trials of life), and the parable of the rich fool (i.e., to be greedy is to sin), and the parable of the Good Samaritan (i.e., always show mercy to thy neighbor).
- **Divine Transfiguration:** Jesus was divinely transfigured—shining with brilliant shives of light as he rose above the Mount of Transfiguration—as Moses and Elijah, two Old Testament prophets, spoke to Him; the transfiguration signified Jesus’ role as God’s messenger.
- **Passion of Jesus:** Riding on a donkey, Jesus entered Jerusalem shortly before Passover; cheering crowds celebrated his arrival with palm branches; per the Gospels, Jesus also predicted his impending death. He then marched to the Second Temple where he expelled money-changers and excoriated them for turning the “house of prayer” into a “den of thieves.” Next, he traveled to Bethany, where the humble, sinful Mary of Bethany anointed his head with expensive perfume.
- **The Last Supper:** Jesus convened a meal (the “Last Supper”) over Passover with his disciples. The Supper defines much of contemporary Christology: (1) Jesus predicted his betrayal by Judas Iscariot. (2) Jesus predicted Peter’s threefold denial. (3) The Last Supper witnessed the Eucharist’s fabled beginning. Jesus broke bread and told his disciples: “take and eat it [for] this is my body.” He then drank from a cup of wine and told his disciples: “each of you drink from it, for this is my blood, which confirms the covenant between God and his people. It is poured out as a sacrifice to forgive the sins of many.” (4) Jesus issued a Farewell Discourse, in which he stated “my command is this: love each other as I have loved you. Love each other.”

- **Agony in the Garden:** After bidding nine of his twelve disciples' night, Jesus prayed in the Gethsemane Garden where he wept in agony and sweat, acknowledging his imminent fate and asking for the burden of death from God.
- **Kiss of Judas:** Swordsmen descended on Gethsemane Garden. Judas Iscariot, one of the Twelve Apostles, kissed Jesus and hence identified Jesus publicly to the soldiers; Jesus had been betrayed. The soldiers arrested Jesus, though Peter, a disciple, and Malchus, a servant, intervened without success. Jesus criticized their efforts: "all who live by the sword shall die by the sword."
- **Trial:** In the Sanhedrin (Jewish judiciary) trial before Judean Governor Pontius Pilate. There, Jesus is convicted of healing on the Sabbath, threatening the Second Temple, practicing sorcery through exorcisms, and claiming to be the Messiah. During the trial, Peter was asked thrice whether he knew Jesus, negatively answering each time; when the rooster crowed soon after, as Jesus had predicted, Peter wept, signifying repentance. Pontius Pilate hesitated to condemn Jesus to death, but the crowd's insistence that Pilate pardon Barabbas, a criminal, and crucify Jesus led Pilate to capitulate and find Jesus guilty of claiming to be King of the Jews—a capital offense. After his conviction and prior to his crucifixion, Jesus was mocked, spat on, ridiculed, beaten, flogged, derobed, and insulted.
- **Via Dolorosa:** Jesus walked along *Via Dolorosa* to Calvary (now the location of the Church of the Holy Sepulchre, Christianity's holiest site). In totality, Jesus was (1) condemned to death by Pontius Pilate, (2) forced to carry his Cross, (3) fell once, (4) meets Mary, his mother, (5) received help from Simon of Cyrene, (6) had his face wiped by Saint Veronica, (7) fell again, (8) met the women of Jerusalem, (9) falls again, (10) stripped of his garments, (11) nailed to the Cross, (12) died on the Cross, (13) descended from the Cross, and (14) buried in his tomb. Two criminals, Gestas and Dismas, are crucified alongside Jesus. Upon the cross Jesus made seven statements: begging God to forgive his killers, promising salvation to Dismas the Good Thief, venerating his mother Mary, crying out to God, expressing his thirst, declaring triumph, and announcing his devotion to God ("Father, into thy hands I commend my spirit").
- **Resurrection:** Three days after his entombment, Jesus rose from the dead. Mary Magdalene witnessed his empty tomb and met an angel, who informed her of Jesus' rise. Jesus then returned to his disciples and chastised them for their lack of belief. He instructed: "All authority in heaven and on earth has been given to me. Therefore, go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you. And surely, I am with you always, to the very end of the age." Jesus then ascended to heaven where he is seated at the right hand of God the Father of Heaven.

## **Life of Prophet Muhammad**

- **Early Life:** Muhammad was born in 570 in Mecca as a member of the Quraysh tribe. His father died before his birth; his mother passed away when he was six years old, leaving him an orphan. He was then raised by Abu Talib, his uncle who led the Hashim clan.
- **First Marriage:** When 25 years old, Muhammad married Khadija, his first wife; together, they had six (or possibly eight) children, including Fatima, who married Ali and became the archetype for Muslim women.
- **Allah's Divine Revelation:** Muhammad spent great time in isolation praying silently in mountains around Mecca, considering *Jahiliyyah* (moral ignorance and cultural degradation). In 610, on *Laylat al-Qadr* (the “Night of Destiny”), the archangel Gabriel appeared before Muhammad at Mount Hira, commanded Muhammad to read, and demanded Muhammad to then recite the opening verse of the Quran: “Read in the name of thy Lord who created; [He] created the human being from blood clot. Read in the name of thy Lord who taught by the pen: [He] taught the human being what he did not know.” Upon this (first) revelation, Muhammad was terrified but was consoled by Khadija, his wife, and Waraqah, his cousin. Muhammad continued to receive divine messages from Allah and His messengers; Muhammad preached Allah’s message in private. Khadija was his first follower, who believed Muhammad to be Allah’s prophet.
- **Public Preaching:** Around 613, Allah commanded Muhammad to begin preaching publicly: proclaiming Allah as the sole God to worship, rejecting false idols, and warning polytheistic pagans of their eschatological punishment on the impending Day of Judgment. As Muhammad spread Islamic messages, he was ridiculed but mostly ignored by Meccan and Quraysh polytheistic *surahs*; as Muhammad’s preachings conflicted with local religious beliefs, he and his followers were increasingly persecuted. To protect his followers, Muhammad demanded many to emigrate to Christian-controlled Abyssinia in modern-day Ethiopia; the Quraysh imposed a blockade on Abyssinia.
- **Year of Sorrow:** In 619, Muhammad entered his Year of Sorrow when Khadija, his wife, and Abu Talib, his protector, died. Muhammad then traveled to nearby Ta’if, but was scoffed: “If you are truly a prophet, what need do you have of our help? If God sent you as his messenger, why doesn’t He protect you? And if Allah wished to send a prophet, couldn’t He have found a better person than you, a weak and fatherless orphan?”
- **Night Journey, Isra’, and Mi’raj:** In a single evening, Muhammad traveled on a mystical *buraq* to the al-Aqsa mosque atop the Temple Mount in Jerusalem; there, he traveled to the Seventh Heaven, where he met Allah’s prophets, including Abraham, Moses, John the Baptist, and Jesus, before meeting Allah Himself.
- **Hijrah:** In 622, Muhammad and his followers migrated secretly from Mecca (where they were viciously persecuted) to Medina; Muhammad formalized ties with local tribes via the Constitution of Medina. There, Muhammad ordered his men to launch raids on Quraysh caravans; Quranic verses revealed to Muhammad offered Allah’s support for these acts of violence (e.g., Quran 2:216 posits that “fighting has been enjoined upon you

while it is hateful to you. But perhaps you hate a thing, and it is good for you; and perhaps you love a thing, and it is bad for you. And Allah Knows, while you know not").

- **Battle of Badr:** When Muhammad's Islamic forces fought with the Quraysh, led by Abu Jahl (literally, "Father of Ignorance"), Muhammad's forces earned a crushing victory at the Battle of Badr; many Muslims attributed the victory to Allah's divine intervention. The Quraysh later retaliated at the Battle of Uhud yet failed to retake Medina. Afterward, Muhammad expanded his empire greatly, culminating with the Conquest of Mecca.
- **Farewell Pilgrimage:** With Mecca firmly under Muslim control, Muhammad embarked on the *Hajj* pilgrimage to Mecca alongside thousands of his *Sahaba* followers. In Mecca, Muhammad delivered his famous Farewell Sermon.
- **Death and Burial:** After falling gravely ill, Muhammad died on June 8, 632. He cried out: "Oh God, forgive me and have mercy on me; and let me join the highest companion." He was then buried in the Masjid an-Nabawi mosque, which Muhammad had built himself.

### **US Swing Votes 2024**

- **Demographics:** Urban areas skew Democrat while rural areas skew Republican; suburbanites swing. Republicans can probably win 219 electoral votes from safely red states and Democrats can probably win 232 electoral votes from safely blue states.
- **Swing states include Pennsylvania, Wisconsin, Michigan, North Carolina, Arizona, and Georgia.** Other battleground states include Florida, Ohio, Virginia, and Minnesota.
  - **North Carolina:** Obama won North Carolina in 2008 but the state fell to Republicans in 2012, 2016, and 2020—although Trump's margin of victory fell. Biden will likely (1) emphasize Democrat investments into NC during his administration (e.g., Siler City's \$5B Wolfspeed silicon carbide wafers—semiconductor materials—manufacturing plant), (2) criticize North Carolina's strict (and unpopular) 12-week abortion-ban, and (3) encourage Black turnout (since Black voters comprise 22% of the state's population yet just 4% of ballots). Charlotte and Raleigh will go for Biden.
  - **Georgia:** Trump shockingly lost Georgia by 0.2% in 2020 after winning by 5.2% in 2016. The Atlanta metro area, which comprises 45% of Georgia's population (particularly in Gwinnett and Fulton County), will probably go for Biden—even though Atlanta's suburbs have historically been majority-white and majority-Republican. Democrats' losses in exurban areas have shrunk: Biden lost 80% white Cherokee County by 39% while Obama had lost by 58%. Biden will (1) capitalize on rising non-white and youth votes in Atlanta, (2) weaponize the anti-Trump sentiment which delivered a blue victory in November 2020, and (3) embrace Stacey Abrams' playbook.
  - **Pennsylvania:** Biden, born in Scranton, won Pennsylvania narrowly in 2020. 26% (3.4M) of Pennsylvanians live in rural areas; many work in agriculture (with

over 52K farms) and Pennsylvania is largely working-class and blue-collar. Cities include Philadelphia and Pittsburgh which consistently vote for Democrats. Pennsylvania is the heart of Biden's infrastructure spending initiatives, which will total over \$6.2B, including over \$1B for airport modernization and \$2B in private funding for offshore wind technology. DeSantis' parents grew up in Western Pennsylvania.

- o **Wisconsin:** Wisconsin has historically been a battleground state—won by Trump in 2016 and Biden in 2020. Wisconsin's demographics are unusual: a mix of urban, suburban, and rural areas; limited migration and emigration have reduced demographical diversification (e.g., Wisconsin is 84% white); northern and western Wisconsin usually vote Republican while Madison, Milwaukee, and Dane County usually vote Democrat.
- o **Michigan:** Polls currently show Trump and Biden in a dead heat in Michigan; Trump won in 2016 but lost in 2020. Democratic governor Gretchen Whitmer is pushing hard, especially through the PAC Fight Like Hell, for Biden's victory. Biden's infrastructure spending has increased infrastructure projects in Michigan greatly.

### **Religious Meaning**

- Where do people find meaning in religion?
  - **Spiritual Connection:** For many believers, religion offers a spiritual connection between the mortal and cosmic realms which intertwines their souls and their fate with higher powers and deities: Christianity preaches faith in God, Jesus, and the Holy Spirit; Buddhism abides by the philosophical teachings of Siddhartha Gautama; Islam praises Allah as God and reveres the Prophet Muhammad; Hinduism proclaims the *Sanātana Dharma* and universal nature of karma.
  - **Guidance:** People encounter ethical dilemmas, moral crises, and personal difficulties throughout their lives. Religion offers a universal framework to navigate these life challenges. The Decalogue (Ten Commandments), revealed to Moses at Mount Sinai, tells Christians how to live a moral life. Hinduism's Vedic Texts, written in Sanskrit, communicate the importance of the *Niyama* and *Yamas* (Hinduism's moral restraints and social obligations). Islamic teachings, codified through Allah's word in the *Quran* and Muhammad's actions and teachings through the *Hadith* tradition, offer guidance to Muslim believers. Judaism's *mitzvot* commandments afford instruction for navigating life's conundrums.
  - **Structure:** Religious rituals strengthen one's relation with God by reinforcing piety, offering opportunities for communication with the spiritual realm, and unifying communities around shared values. Islam centers around five core pillars—*shahada* (profession of faith), *salat* (five daily prayers), *zakat* (almsgiving), *sawm* (Ramadan fasting), and *hajj* (pilgrimage to Mecca). Judaism

celebrates *Shabbat* (for each Saturday), Rosh Hashanah (for repentance), Yom Kippur (for atonement), *Sukkot* (for celebration), and Hanukkah. For many, such rituals represent a connection to one's ancestral and historical roots.

- **Purpose:** Religion soothes the bitter pains of existential dread: *Where will I go when I die? What is the meaning of life? What will be of my soul? Will I earn salvation or face eternal damnation? How should I live my life as God ordains?* Religion offers answers to life's unanswerable questions. Buddhism and Hinduism embrace the *samsāra* tradition of cyclical (i.e., karmic reincarnation). For Catholics, expiation in Purgatory paves the path to Heaven. Islamic theology offers guidance for avoiding *Jahannam* (Hell) and entering *Jannah* (Heaven).
- **Community:** Religion establishes shared communal values through socialization, brings communities physically together via congregations, and unites people through common rituals, festivals, celebrations, feasts, and holidays; for example, consider Catholic churches, Buddhist monasteries, Islamic mosques, Orthodox chapels, Jewish synagogues, and Hindu temples.
- **Solace:** Religion offers comfort to the grieving, love to the lonely, support to the poor, and strength to the doubtful. Moreover, religion often emphasizes the importance of personal transcendence and self-improvement.
- Is religion a force for progressive social change?
  - Yes: Mere hours before his assassination, Martin Luther King Jr, a Baptist minister by training, proclaimed: "I just want to do God's will and he's allowed me to go to the mountain. And I've looked over, and I've seen the promised land." Revivalist Protestants, Christian Quakers, and Unitarians joined Black Baptists and Reform Jews in pushing for slavery's abolition.
  - No: (1) Per Marx, "religion is the sigh of the oppressed creature, the heart of a heartless world, and the soul of soulless conditions—it is the opium of the people" and thereby quells the natural tendency towards progressive resistance: (a) religion offers false hope that supernatural interventions will improve material conditions, (b) religion deems suffering to be a virtue, (c) religion offers theological justifications for an unequal social order, (d) religion promises rewards in the afterlife for suffering in the mortal realm, and (e) religion offers non-revolutionary coping mechanisms (e.g., religious ceremonies and rituals). (2) Religion operates as a mechanism of social control: (a) the church is an extension of those with political and material power, and (b) church doctrine and dogma legitimize the elite. (3) Religion distorts class consciousness: (a) religion mystifies society, construing societal structures as a foreign imposition than the deliberate construction of those in power, (b) religion preaches that suffering is not only tolerable but also demanded by God, and (c) religion obfuscates blame away from political-economic elites.

## **IMF**

- **Funding:** The IMF has 190 members and around \$930B in total funding. Funding comes through (1) member quotas,<sup>8</sup> (2) NAB (New Arrangements to Borrow) loans from IMF members, and (3) bilateral borrowing arrangements. The US provides around \$117B—roughly 17.4% of all IMF funding—and over 17% of IMF quota share, giving the US veto power (since IMF decisions usually require an 85% supermajority); Japan is second with a 6.5% quota share. The IMF (1) loans to countries experiencing balance of payments crises, (2) conducts economic bilateral and multilateral surveillance, and (3) provides technical expertise to promote capacity development. The IMF employs around 2,765 personnel; two-thirds are economists by training.
  - **COVID:** During the height of the pandemic, the IMF doubled access to its Rapid Credit Facility (RCF) and Rapid Financing Instrument (RFI) lending programs and tripled funding for its Poverty Reduction and Growth Trust Fund (PRGT). In 2020 alone, the IMF approved 36 emergency loans totaling \$22.1B and 49 emergency financing arrangements totaling \$9B. In August 2021, the IMF allocated \$650B worth of special drawing rights; \$275B went to LMICs/EMEs.
  - **China:** China is challenging the IMF internally and externally. Internally, China holds a 6.39% quota share (and around a 5% share in the World Bank) despite representing around 18% of global GDP; still, China has pushed for increased influence, like by privately demanding Managing Director Kristalina Georgieva artificially inflate China's "Doing Business" ranking in 2018. Externally, China is challenging the IMF through the AIIB (\$100B), the Asian Development Bank (\$163B), and the BRICS New Development Bank (\$33B).
- **Financing:** The IMF offers different types of loans: (1) Extended credit facility (ECF) loans provide medium-term five-to-ten-year assistance to LMICs with protracted balance of payments problems; (2) rapid credit facility (RCF) loans offer concessional funding to LMICs with highly pressing balance of payments problems caused by exogenous crises like natural disasters or food shocks; (3) stand-by credit facility (SCF) loans provide short-term two-to-three-year assistance to LMICs; and (4) resilience and sustainability facility (RSF) loans provide long-term assistance to preemptively limit balance of payment crises by increasing climate and pandemic resilience. However, countries cannot borrow excessively from the IMF; for instance, countries cannot borrow more than 145% of their SDR quota annually and 435% of their quota cumulatively.
- **Lending Process:** (1) Countries must demonstrate eligibility for IMF lending and appeal to the IMF for assistance. (2) The IMF launches a formal assessment program; for instance, the IMF conducts a debt sustainability analysis (DSA) which assesses current loan maturities, interest rate structures, and default vulnerabilities, research which

---

<sup>8</sup> The IMF quota formula is one-half of GDP plus one-third of openness plus one-fifth of variability plus one-twentieth of reserves.

supplements the IMF's Article IV<sup>9</sup> bilateral surveillance reports. (3) The IMF then determines what conditions must be met before funds are disbursed; this determination also finalizes the adjustments countries must implement (e.g., fiscal consolidation, monetary tightening, floating the national exchange rate, or improving economic competitiveness). Importantly, this process involves direct consultation and negotiation with recipient countries. (4) IMF assistance packages must be approved by the IMF Executive Board. (5) After loans are approved, countries must begin implementing structural adjustments; the IMF—skilled in economic surveillance—monitors for compliance and disburses funding as countries meet specific policy targets and index-base benchmarks. (6) Following completion, countries “graduate” from IMF assistance programs.

- **Debt Restructuring:** The IMF's mission borders on paradoxical: ensure public debt sustainability by lending to over-indebted countries. To escape this double bind, the IMF often demands restructuring of external debts (e.g., haircuts,<sup>10</sup> maturity extensions,<sup>11</sup> coupon adjustments<sup>12</sup>) to reduce public debt alongside IMF bailouts; for example, Argentina's 2005 haircut was 74%, Chile's 1986 haircut was 32%, and Greece's 2012 haircut was 64%. Debt restructuring is complicated: (a) securing creditor buy-in is difficult especially when debt instruments lack collective action clauses (CACs), which permit a supermajority of creditors/bondholders to bind all creditors to accept a debt restructuring; (b) domestic debt restructuring poses unique challenges since governments can retroactively change the legal terms of bond contracts in domestic courts and domestic banks/NBFIs suffer from haircuts and hence disrupt<sup>13</sup> domestic financial markets; (c) even when debt contracts include CACs, holdout minority investors (usually above 15%–20%) can “hold out” and refuse to agree to restructuring agreements; (d) while successful restructuring deals (e.g., Jamaica's JDX in 2013) balance burdens between debtors (i.e., sovereigns) and creditors (e.g., Paris Club investors), imbalance in restructuring (e.g., intolerably large haircuts relative to minimal macroeconomic reforms) are often seen as akin to state-sponsored theft and hence alienate creditors; and (e) the

---

<sup>9</sup> Article IV of the IMF's Bretton Woods Articles of Agreement states: “The Fund shall exercise firm surveillance over... [its] members and shall adopt specific principles for the guidance of all members with respect to those policies. Each member shall provide the Fund with the information necessary for such surveillance, and, when requested by the Fund, shall consult with it on the member's exchange rate policies.” In practice, this mandate leads the IMF to consult annually with parliamentarians, business representatives, civil society leaders, and labor unions.

<sup>10</sup> For example, Barbados's 2019 debt crisis (in which a prolonged post-08 recession led public debt to reach 158.3% of GDP and S&P to downgrade Barbados's credit rating to “selective default”) involved a 26% haircut.

<sup>11</sup> For instance, Jamaica's 2013 debt crisis (in which a 15% decrease in remittances and tourism revenues, a 30% drop in bauxite exports, and a 22% depreciation in the national currency led Jamaica's public debt to exceed 149% of GDP) involved the Jamaica Debt Exchange (JDX) which lengthened average maturity from 4.7 years to 8.3 years, reduced principal obligations by \$1.94B USD, and reduced total debt obligations by 3.5% of Jamaica's GDP.

<sup>12</sup> For example, Cyprus' 2012/13 debt crisis (in which deep exposure to the Greek debt crisis devastated the Cypriot financial system) involved significant debt restructuring with average maturity lengthening by 6.3 years and a net-present-value bond haircut of 35.8%.

<sup>13</sup> For example, after Russia's 1998 default (preceded by the ruble's implosion), Russia avoided restructuring external foreign-owned debt to ensure continued access to external credit markets.

IMF (alongside other international financing institutions (IFIs)) claim preferred creditor status and hence refuses to take haircuts itself.

- **Austerity:** The IMF (usually) conditionalizes medium- and long-term assistance on structural adjustment. Historically, structural adjustment programs (SAPs) have been influenced by John Williamson's "Washington Consensus" policy package (fiscal austerity, privatization, and market liberalization), which includes reducing government borrowing, limiting subsidies, broadening taxes, implementing market-based interest rates, floating the national currency, liberalizing trade barriers, permitting increased FDI inflows, privatizing SOEs, limiting anti-competitive regulations, and strengthening property rights. More recently, the IMF has pivoted to demanding fiscal consolidation, public wage freezes, value-added taxes, and public expenditure cuts.
- **IMF (General) Criticism:**
  - (1) Market fundamentalism and *laissez-faire* orthodoxy blind the IMF's international bureaucracy—PhD technocrats, Ivory Tower economists, graduates from elite universities,<sup>14</sup> and financiers with deep ties to Wall Street;<sup>15</sup> this unyielding Friedmanite dogma is undergirded by (a) the dominance of American-style free-market capitalist ideology in university economics curricula, into which IMF personnel are socialized, (b) the rigid (and self-reinforcing) neoliberal culture within the IMF, borne from institutional memory of state failure (e.g., Latin American structuralism, Soviet-style command economies, and East Asian currency pegs), (c) the IMF's historical and foundational ties to the pro-market Bretton Woods Conference, and (d) the evolutionary patterns of the IMF (i.e., the 1973 collapse of the Bretton Woods exchange rate system coincided with the "neoliberal revolution" of the 1970s, e.g., Thatcher and Reagan). The IMF's culture of neoliberalism (a) predisposes the IMF to blame governments rather than markets and (b) leads the IMF to prioritize balancing budgets and taming inflation even at the expense of unemployment (since labor markets are presumed to be competitive).
  - (2) Informational deficiencies reduce SAPs' efficacy: (a) unlike domestic politicians with intimate knowledge of local economic conditions, IMF technocrats legislate from the IMF's air-conditioned twelve-story steel-and-glass headquarters on 19<sup>th</sup> Street in Washington where they (i) are removed from the on-the-ground realities and (ii) construct policies based on statistics and spreadsheets which dehumanize suffering; (b) even when IMF staff meet with local experts, they (i) negotiate primarily with economics-minded finance

---

<sup>14</sup> The IMF's current officials include Managing Director Kristalina Georgieva (former fellow at LSE and MIT), First Deputy Managing Director Gita Gopinath (PhD from Princeton), Deputy Managing Director Kenji Okamura (Harvard's Kennedy School of Government), and Research Director Pierre-Olivier Gourinchas (PhD from MIT).

<sup>15</sup> For instance, Stanley Fischer, the IMF's former First Deputy Managing Director, has been an executive at Citibank and a senior advisor at Blackrock.

ministers, treasury officers, and central bank governors, not the parliamentarians and union leaders with a deeper appreciation of the domestic political, social, and cultural environment, (ii) often meet in five-star capital-city (e.g., Ritz-Carlton) hotels where poverty remains out-of-sight, and (iii) usually hold discussions for a mere three weeks; and (c) even the best-intentioned IMF bureaucrats trained in complex economics poorly understand how SAPs (e.g., “user fees” for primary schools) will interact with local political and social actors.

- (3) IMF negotiations structurally disadvantage indebted countries: (a) the IMF is an anachronistic institution, rooted in the antiquated politics of American hegemony<sup>16</sup> especially since the US—which quietly views the IMF as a crucial instrument of geopolitical statecraft—exercises veto power and is the IMF’s largest funder while developing countries receive little voting power; (b) IMF negotiators exploit modern-day “gunboat” diplomacy since countries’ backs are against the wall and hence, IMF negotiations feature severe power imbalances; and (c) the IMF has embraced “mission creep” in gradually aggrandizing its own authority.
- (4) IMF SAPs destabilize domestic politics<sup>17</sup> since (a) IMF requirements are stained by the Fund’s neocolonial reputation (e.g., all IMF managing directors are European by gentleman’s agreement), (b) the IMF is often portrayed as violating countries’ sovereignty (and since IMF decisions are anti-democratic, dissenters have no choice but to riot), (c) IMF structural adjustment often increases wealth inequalities (since tax hikes and subsidy cuts disproportionately hit the lower- and middle-classes), (d) IMF demands appear hypocritical when developed countries’ protectionist policies (e.g., the EU’s CAP or the US’ farm subsidies) continue unabated, (e) IMF deals are cloaked in secrecy and negotiated behind closed

---

<sup>16</sup> For example, during the 1994 Mexican peso crisis, the Clinton administration pressured the US to lend \$17.8B to Mexico (688% of Mexico’s quota) and pushed for similarly generous assistance to South Korea in December 1997 (\$21B or 1757% of SK’s quota).

<sup>17</sup> Some examples: In 2018, Jordan’s \$723M IMF loan required steep tax hikes (e.g., a 5% increase on public employees) and price hikes (e.g., subsidized bread prices doubled as electricity and oil prices soared) to slash debt from 96% to 76% of GDP; in response, thirty trade unions organized a general strike and tens of thousands marched on Amman, forcing PM Hani Mulki to resign. In July 2018, Haiti—at the IMF’s request—cut fuel subsidies by 38% (hence doubling diesel and kerosene prices); the ensuing protests in Port-au-Prince, where average incomes were \$5/day with gas prices at \$4.60/gallon, killed over seventeen civilians, set businesses and households on fire (including \$20M worth of Delimart grocery stores), and forced PM Jack Guy Lafontant to resign. In 1977, when the IMF demanded that Egyptian President Anwar Sadat cut subsidies for Egypt’s Baladi flatbread, a widely consumed food staple, protesters swarmed Cairo (including Tahrir Square), killing over 800 and imprisoning over 1,000. When Argentina, under IMF pressure, limited Argentinians to withdrawals of 250 pesos or less (“corralito”) from their bank accounts, mass *cacerolazo* protests swarmed Buenos Aires on December 19 and 20 in 2001; two Presidents fell from power in the ensuing chaos. In October 2019, Ecuador’s President Lenín Moreno issued Decree 883 which slashed *ecopáis* fuel subsidies (e.g., diesel prices surged from \$1.07 to \$2.37 overnight); indigenous activists and labor unions staged mass protests in Quito. Anti-austerity protests in Ireland, Portugal, and Greece turned the streets of Dublin, Lisbon, and Athens into *de facto* war zones: masked protesters raiding local properties, heavily armed anti-riot police officers firing pepper spray and rubber bullets, window glass shattering across concrete roadways, and blood’s sickening stench filling the smoke-choked skylines.

doors, and (f) domestic leaders hesitate to openly oppose the IMF for fear that the Fund will use its “bully pulpit” to further deter credit markets from lending. Hence, the IMF’s faceless and unaccountable bureaucracy breeds instability.

- (5) Well-intentioned SAPs are destined for failure: (a) the IMF defers to one-size-fits-all policy requirements which disregard local nuance; (b) countries must meet strict timetables for policy compliance, thereby rushing implementation and affording insufficient time for smooth transitions; (c) structural conditions are often contradictory (e.g., capital market liberalization increases farmers’ interest rates while fiscal consolidation reduces fertilizer subsidies); and (d) the IMF is overly long-termist and usually neglects immediate well-being and labor rights. Indeed, austerity is crushing.<sup>18</sup>
- **Recent Bailouts:** Pakistan (\$3B: 7/23), Sri Lanka (\$3B: 3/23), Zambia (\$1.3B: 9/22), Nigeria (\$3.4B: 4/20), Egypt (\$3B: 12/22), Argentina (\$44B: 3/22), Ghana (\$3B: 5/23), Ecuador (\$6.5B: 9/20), Colombia (\$9.8B: 4/22), Bangladesh (\$4.7B: 2/23), Angola (\$3.7B: 12/18), Serbia (€2.4B: 12/22).
- **IMF Reform:** Since the Eurozone debt crisis and the COVID pandemic, the IMF has instituted a range of policy reforms. Between 2018 and 2019, the IMF overhauled its low-income countries lending facilities by (a) increasing access to IMF assistance by one-third (and even more for conflict-affected countries) and (b) moderating conditionality through increased flexibility. In July 2021, the IMF further reformed its Poverty Reduction and Growth Trust (PRGT) by expanding access to IMF financing by forty-five percent.

### Space Exploration

- **Rocket Science:** Rocket science exploits Newton’s Laws: an unbalanced thrust force, produced through rocket propulsion, overcomes inertia (First Law) and enables aeronautical flight (Third Law) with the craft’s velocity proportional to the speed of escaping gas and the rate at which fuel burns (Second Law); generating such a propulsive force requires rocket propellant, which contains fuel (e.g., refined petroleum, liquid hydrogen, ethyl alcohol, aluminum powder) and oxidizer (e.g., ammonium perchlorate). Redox reactions (or, less commonly, ion thrusters) then induce combustion reactions; subsequently, propellant fuel (which is either solid, e.g., hydroxyl-terminated polybutadiene, or liquid, e.g. hydrazine) is burned to generate (gaseous) rocket exhaust, passing through an exhaust nozzle, which produces a powerful thrust force (which is directly proportional to (a) the speed of ejected gaseous exhaust and (b) the mass flow rate). This thrust force must exceed the rocket craft’s weight to achieve liftoff; from there,

---

<sup>18</sup> For example, in 1986, Nigeria accepted the first of several IMF loans in exchange for sharply devaluing the Nigerian naira and slashing import subsidies; this deadly combination caused bread prices to soar (driving student protests Lagos and Jos) and employers to cut jobs (e.g., the United African Company cut its payroll from 23,850 workers in 1985 to 9,000 in 1988). Healthcare cuts in West Africa intensified the Ebola pandemic and left countries similarly ill-prepared to respond to COVID.

the rocket must reach escape velocity (approximately 40,250 km/hr) to leave Earth's atmosphere. Gimbaled thrust systems allow the exhaust nozzle to swivel and hence change the rocket's center-of-gravity.

- **Risks:** Rocket science deserves its fearful reputation because complex rocket systems depend on perfection at every step; hydrogen leakages, hydraulic system malfunctions, engine clogs, mistimed reactions, improper mass ratios, millimeter-off manufacturing errors, resonance frequency incompatibilities, electromagnetic interferences, and aeronautical mismanagement can doom space exploration initiatives.
- **Importance:** (1) Exploring space expedites scientific discovery about the universe (e.g., planetary arrangements, magnetosphere, extraterrestrial life, black holes, and radiation belts) and physical and chemical sciences (e.g., fluid dynamics and cosmic astrophysics). (2) Space exploration reaps substantial technological benefits<sup>19</sup> (e.g., satellite communications, global positioning systems, weather forecasting models, medical imaging programs). (3) Space inspires<sup>20</sup> the next generation of innovators, technologists, mathematicians, dreamers, scientists, and engineers; per some metrics, Apollo 11 tripled the number of engineering and sciences PhDs. (4) Space exploration strengthens international cooperation—offering peaceful avenues for diplomacy, resource-sharing, and international dialogue between hostile states (e.g., astronauts from Russia and the US work cooperatively on the ISS). (5) Exploring space promotes humanity's long-term survival by increasing planetary defense capabilities (e.g., studying the threats posed by asteroids and comets), buttressing environmental monitoring technologies, and (potentially) migrating to other celestial bodies like Mars. (6) Philosophically, exploring space forces humanity to reckon with its place in the cosmos.
- **Actors Involved in Space Exploration:** Space exploration heavily features public-private partnerships<sup>21</sup> (alongside NGOs and universities); for instance, NASA

---

<sup>19</sup> Why does space exploration drive technological innovation (e.g., the Fourth Industrial Revolution)? (1) Intuitively, the sheer complexity of the tasks involved requires tremendous innovation to overcome. (2) Space exploration is multi-disciplinary and hence fuses biological, physical, and technological spheres; hence, space exploration brings many experts from many fields into direct collaboration. (3) Space is an unusually extreme environment: cold (e.g., negative 450° F or negative 270° C), non-pressurized (e.g., near-zero air pressure), high exposure to radiation (e.g., galactic cosmic rays), and altered gravity fields; such environmental extremes demand technological genius to overcome. Moreover, the drive to improve rocket technology drives innovation: sensors must be miniaturized, cameras must be shortened, computers must be compartmentalized, and energy systems must be made more efficient. (4) Space exploration requires improvements in (i) sensory technologies, (ii) medical science, (iii) water purification, (iv) robotics and materials sciences, and (v) navigational/positioning systems.

<sup>20</sup> Why does space exploration drive interest in STEM fields? For thousands of years, space has entranced humanity: the great vastness of an infinite universe, the indescribable beauty of the cosmos, and the entrancing mysteries of far-off galaxies mesmerize us. Indeed, as Plato once quipped, “astronomy compels the soul to look upwards.” Space accomplishments—like landing men on extraterrestrial planets—inspires a new generation of thinkers to gaze at the stars and dream that they, too, can reach (literally) for the stars.

<sup>21</sup> Governments defer some risk and authority to the private sector to (1) increase efficiency by exploiting the private sector's profit-driven comparative advantages in schedule, costs and experience and (2) offload execution risks (e.g., project failures) onto the private sector; further, governments usually use “Value for Money” (VfM)

heavily contracts with Boeing, Lockheed Martin, Raytheon, General Dynamics, and Northrop Grumman. Major private companies include Virgin Galactic (a space tourism company founded by billionaire Richard Branson which sells tickets for over \$450K), Astra (a US government contract-dependent spaceflight company founded by former NASA employees), Sierra Nevada (a national security contractor responsible for over 400 space missions and developing the Dream Chaser spaceplane), Blue Origin (an aerospace manufacturer, founded by Bezos, responsible for cutting-edge rocket engines and the New Shepard space tourist initiative), SpaceX (an aerospace company founded by Elon Musk in 2002 responsible for the Falcon 9, Falcon Heavy and Starship heavy-lift launch vehicles, the Starlink satellite network, and the Cargo Dragon and Crew Dragon spacecraft), and Space Adventures (a space tourism company); currently, space tourism is concentrated entirely in suborbital space. Major public space agencies include the National Aeronautics and Space Administration (NASA), the European Space Agency (ESA), Roscosmos (Russia), and the China National Space Administration (CNSA). Budgets are a problem (e.g., NASA/\$32B, Roscosmos/\$2.9B, ESA/€5B, CNSA/\$8.9B).

- **Criticisms of Space Tourism:** Space tourism represents stratospheric inequality—the pinnacle of inaccessibility (e.g., \$250K/ticket for Virgin Galactic). Space tourism increases space junk/debris; currently, nearly 26,000 artificial objects (e.g., nonfunctional spacecraft, abandoned launch vehicles, and fragmentation debris) float throughout Earth's orbit—and adding more risks triggering Kessler's syndrome (i.e., an ever-cascading cycle of collisions). Space flights ruin the environment (e.g., high carbon footprints, depleting the ozone layer, and polluting the stratosphere). Space tourism risks poor safety. Besides a lack of regulation and commercial profit interests, personal feuds between Musk, Zuckerberg, and Branson risk undermining safety.

## **Judicial System**

- **Legal Education:** Practicing law (as an attorney, judge, or prosecutor) usually requires legal education (i.e., law school) and passing the bar exam (i.e., to receive a license). Law schools serve a *de facto* dual purpose. First, law schools socialize (i.e., “value transmission”) legal students into the cultures, norms, and values of the legal profession; such norms often emphasize classical scholarship and understanding law doctrinally. Second, law schools teach (i.e., “knowledge transmission”) legal students the theory and practice of law through Socratic seminars, legal historiography, and lectures; however, law schools often leave students ill-prepared for applying the law after graduation since law professors are usually skilled in the *theory*, not practice, of law. Furthermore, legal education is often profoundly distressing and socially alienating due to high work

---

cost-effectiveness frameworks, under which private-sector “shadow-bids” increase the net present value of space-adjacent projects. In return, private firms usually (1) expect to make hefty returns on investment (ROI) and (2) receive claims to IP.

expectations, astronomical debts, limited feedback opportunities, and intensely competitive interpersonal environments; rates of mental illness and substance abuse are notably higher amongst law students than the general population.

- **Representation:** In its multi-century history, SCOTUS has had just seven justices who haven't been white men; indeed, many structural barriers problematize diversity in the legal field: (1) Women and racial minorities are severely underrepresented in law schools due to histories of discrimination; for instance, Harvard Law School only achieved gender parity in 2016 after banning women until 1950. (2) Attending a top-tier prestigious law school (e.g., Harvard, Yale, Oxford, NYU, LSE, and Chicago) is crucial for entering the upper echelons of the legal profession; for instance, most clerkship positions at the Supreme Court are awarded to students from top-five schools. The exclusive nature of these schools (combined with their high LSAT requirements) pose a stiff barrier to entry. (3) Major legal markets (where top law firms, which attract top legal talent, operate) usually cluster in wealthy urban/metropolitan areas like NYC, DC, and Chicago; aspiring legal students from rural backgrounds often lack the social ties and cultural capital to "break in" to such environments. (4) Partners at major law firms are overwhelmingly white and male; promotion opportunities for non-white non-male candidates are limited by subconscious discriminatory bias.
  - **Importance of Diversity:** (1) Legal diversity is essential for maintaining public faith in the legitimacy of the CJS. (2) Legal diversity creates role models for underrepresented groups. (3) Diversity in representation begets diversity in substantive CJS policy, owing to the power of shared lived experiences.
  - **Tocqueville:** "Lawyers belong to the people by birth and interest, and to the aristocracy by habit and taste; they may be looked upon as the connecting link between the two great classes of society." In short, lawyers develop an aristocratic character through their pro-institution/pro-order training.
- **Judicial Legitimacy:** Public faith in the judiciary is essential: courts possess neither the authority of the purse nor the sword but on sustained public confidence in its moral sanction; indeed, as Hamilton wrote in Federalist 78, the court has "neither force nor will... but merely judgment." This public faith depends on the polity viewing courts as exceptional and special—as divorced from partisan bickering and shielded from political disputes; under this view, judges are mystified in the "cult of the robe" where they are seen as akin to "high priests of justice." When courts are seen or portrayed as betraying their fidelity to nonpartisanship,<sup>22</sup> they suffer battering attacks on their legitimacy; judges are written off as mere "politicians in robes," yellow journalists rubbish courts' credibility, politicians slander courts as elitist and antidemocratic, and legislatures move

---

<sup>22</sup> For instance, after the 2000 *Bush v Gore* Supreme Court case, the Court was rubbished as "arrogantly authoritarian." The sitting justices were called "a band of outlaws" for the "promotion of anarchy and license in the moral order." Democrats called the Justices who decided the case the "felonious five," "transparent shills for the right wing of the Republican Party," and "judicial sociopaths" who "belong behind bars" for their "treasonous" behavior.

to curtail courts' independence (e.g., court packing and partisan impeachment), reach (e.g., narrowing jurisdiction), and authority (e.g., repealing judicial review).

- **Democracy as a Common Myth:** Historically, the development of collective human societies required evolutionary tactics to overcome humans' selfish instincts; chief among these tactics are common myths (like religion, monarchy, and democracy) which bind us together and help overcome collective action problems.

### *Judicial Elections*

- **Judicial Elections:** Per the so-called "Axiom of 80," some 80% of voters support judicial elections, do not vote in judicial elections, do not know the candidates in judicial elections, and believe financial contributions greatly influence judicial electoral outcomes. Hence, judicial elections are common; 39 US states elect at least some judges, often for the state supreme court. Even more states use retention elections.
  - **Against Judicial Elections:** (1) Elections are suitable for legislators, who must represent their constituents, but not for judges who (a) must remain impartial, (b) per training and ethics codes, mustn't speak publicly on prospective judicial matters, and (c) must remain separate from party politics; while legislators craft the law, courts interpret/apply the law and subject the law to constitutional scrutiny. (2) Elections necessitate mudslinging, scorched-earth campaigning, and even spreading misinformation.<sup>23</sup> (3) Electorates lack proper information and sufficient interest: (a) assessing judicial credentials is difficult and attracts limited public attention; (b) most voters poorly differentiate legislative initiatives from judicial directives and hence commonly vote judges in/out based on non-controllable/non-judicial factors;<sup>24</sup> and (c) elections are often won-and-lost on arbitrary factors like name,<sup>25</sup> race,<sup>26</sup> accent, or physical appearance. (4) Financial influence is endemic in judicial campaigns yet often breeds corruption;<sup>27</sup> perception of impropriety is also concerning. (5) Judicial elections seldom focus

<sup>23</sup> Some examples from US judicial elections: A TV ad in a race for Alabama's Supreme Court in the 1990s depicted Republican candidate Harold See as a skunk. An ad in Michigan's Supreme Court superimposed one candidate's head onto a cow. In Wisconsin, Janet Protasiewicz, a judge, who ran for a state court position in 2023 was excoriated as a "pro-child molester" in a television ad featuring the grandmother of a murdered child. In Illinois, a candidate was accused of sentencing innocent men to death row while knowingly letting guilty killers walk free.

<sup>24</sup> For example, in 2005, a justice serving on the Pennsylvania Supreme Court lost a retention election due to public anger at a pay raise passed *four months earlier—by the legislature*.

<sup>25</sup> For instance, in 1976, Don Yarbrough, a Texas crazy, spent just \$350 on his campaign and gave just a single campaign speech yet won a seat on the Texas Supreme Court. Why? Many voters confused him for US Senator Ralph Yarborough. Yarbrough was a horrible justice—later fleeing the country on federal criminal charges.

<sup>26</sup> For example, in 2008, Democratic judicial candidates won nearly every office in Harris County, Texas, with four exceptions. Their names? Goodwillie Pierre, Mekisha Murray, Andres Pereira, and Ashish Mahendru. Guess why they lost.

<sup>27</sup> For example, in 2002, A.T. Massey Coal Company was ordered to pay \$50M in damages by the West Virginia Supreme Court. Subsequently, the company gave over \$3M to candidate Brent Benjamin, who won the race in 2004. Subsequently, Justice Benjamin helped to reverse the \$50M damages charge.

on judicial debates but devolve into screaming matches over hot-button sociocultural issues (e.g., tough-on-crime, racist policing, abortion, gay rights, family values, gun rights, and school funding) which run adjacent to the CJS. (6) Court elections breed polarization and extremism since turnout is often low and primaries churn hardline candidates out. Furthermore, elections undermine courts' counter-majoritarian duty. (7) Elections distort the proper delivery of justice when judges see their colleagues voted out of office for deciding cases properly but unpopularly (e.g., acquitting<sup>28</sup> a violent criminal on a 4th Amendment technicality).<sup>29</sup> Such is the "crocodile in the bathtub" conundrum.<sup>30</sup> (8) Electoral norms have become warped due to the tabloidization of the media, the rise of ten-second sound-bite journalism, the decline of civility in political discourse, the rise of social media, and the self-aggrandizement of lobbyist/special interest groups.

- **For Judicial Elections:** (1) Mitigation: once elected, judges benefit from incumbency advantage (and hence avoid (i) contested primaries and (ii) unpredictable threats in general elections). Further, most judicial elections are quiet affairs: limited spending, biographic campaigning, personal networking, low-cost advertising (e.g., mail pieces and yard signs). Moreover, many voters rely on party endorsements and newspaper editorials to assess candidates' credentials. (2) Campaigns expose prospective judges to diverse audiences beyond attorneys, lawyers, and prosecutors: cattle ranchers in grassy prairies, nurses in urban hubs, stay-at-home moms in suburban areas, fishermen in coastal port cities, and construction workers in bustling metropolitans. On the flip side, regular people (voters) interact with judicial candidates—demystifying judges as anointed legal priests cloaked in black robes and flanked by flags and uniformed security. (3) Judicial elections (especially retention elections) offer accountability (e.g., for financial misdeeds or impropriety on the bench) whereas (a) impeachment is lengthy and demands a high degree of wrongdoing and (b) judicial accountability mechanisms are sluggish and often run by other judges. (4) Corruption and patronage influence judicial appointments; underqualified party

---

<sup>28</sup> For example, Justice Penny White of the Tennessee Supreme Court overturned a death penalty decision in June 1996; two months later, she was recalled from office after Republicans slammed her for being "soft on the death penalty" and "weak on victims' rights."

<sup>29</sup> For instance, in 2008, Wisconsin Justice Louis Butler lost his bid for re-election in a blowout to Burnett County Judge Michael Gableman, his electoral opponent. Butler had issued controversial rulings in *Thomas v. Mallet* (which established collective liability for lead paint liability cases) and *Ferdon v. Wisconsin Patients* (which abolished caps on medical malpractice damages). Insurance companies opposed Butler's judicial approach and poured hundreds of thousands of dollars into third-party attack ads against Butler, excoriating him as "Loophole Louie."

<sup>30</sup> California Supreme Court Justice Otto Kaus once wrote: "deciding controversial cases while facing reelection [is like] finding a crocodile in your bathtub when you go in to shave in the morning: you know it's there, and you try not to think about it, but it's hard to think about much else while you're shaving."

loyalists are rewarded<sup>31</sup> with influential judicial seats. Elections restore power to the electorate. (5) Judicial elections are a proxy for (state/provincial) popular constitutionalism (for justification, see below). In short: “as government officials who wield significant discretionary authority to ‘make’ and apply law, judges should be selected by those over whom they hold power.” (6) Judges will always be politically beholden—either to the machinery of party politics or to the democratic masses.

### *Plea Bargaining*

- **Against Plea Bargaining:**<sup>32</sup> (1) Plea bargaining aggrandizes executive authority: low-visibility decision-makers (e.g., prosecutors) *de facto* convict defendants behind closed doors without community involvement (e.g., no trial-by-jury) and limited public visibility (e.g., no public trial). (2) Prosecutors strong-arm defendants (often innocent!) into accepting unfair terms by threatening to add additional counts, recommend the most severe end of the sentencing range to judges, and keep low-income defendants locked in pretrial detention facilities; mandatory minimums legitimize these threats and strongly incentivize defendants to accept. In essence, rational but innocent defendants credibly fear conviction, even if erroneous, and hence utility-maximize by choosing the lesser sentence (i.e., accept the plea bargain) than face the possibility of a far longer sentence (i.e., reject the plea bargain). (3) Plea bargaining distorts trial outcomes: would-be acquittals and dismissals end in convictions—and at high rates because plea bargains create a *self-fulfilling prophecy*: as more innocent defendants accept plea bargains, the number of innocent defendants appearing before courts decreases, so acquittal rates decrease in tandem; in turn, future innocent defendants interpret low acquittal rates as evidence that they have limited odds of proving innocence before a court and hence accept plea bargains thereby restarting the cycle. (4) Plea bargaining is unjust: (a) the public has a right to a trial’s truth-seeking function, (b) plea bargains deny fair choice to defendants due to duress, (c) plea bargains *de facto* punish defendants for exercising their rights to trial by jury, (d) plea bargains distort justice’s delivery across geographic lines,<sup>33</sup> and (e) plea bargains yield unfair sentences based on administrative expediency rather than deterrence, rehabilitation, or retribution. (5) Economic theories of bargaining posit

---

<sup>31</sup> For instance, Canada’s former PM, Stephen Harper, famously appointed Court of King’s Bench of Manitoba, a Conservative party loyalist, to the Court of King’s Bench of Manitoba despite his limited judicial expertise.

<sup>32</sup> As George Fisher, Stanford law professor, wrote: “In place of a noble clash for truth, plea bargaining gives us a skulking truce. Opposing lawyers shrink from battle, and the jury’s empty box signals the system’s disappointment. But though its victory merits no fanfare, plea bargaining has triumphed. Bloodlessly and clandestinely, it has swept across the penal landscape and driven our vanquished jury into small pockets of resistance. Plea bargaining may be, as some chroniclers claim, the invading barbarian. But it has won all the same.”

<sup>33</sup> New prosecutors often push for harsher plea bargains while veteran prosecutors (who are, similarly, more adept at manipulating the Federal Sentencing Guidelines) are often more mellow. Underfunded or understaffed prosecution offices often rely heavily on plea bargains; further, these offices cannot pay high salaries and hence lose experienced prosecutors to the private sector, intensifying regional disparities. Prosecutors with personal or professional relationships with local defense attorneys/public defenders frequently offer generous plea bargain terms to those attorneys’ clients. Complex and time-consuming cases are highly likely to end in plea bargains.

that defendants and prosecutors are rational agents who forecast a trial's likely outcome and strike a mutually beneficial bargain—yet plea bargaining negotiations are troublingly flawed: (a) closed-door negotiations lack the protective procedures (e.g., entrapment defenses), accountability mechanisms (e.g., impartial judges), public scrutiny (e.g., monitoring by victims' advocacy groups or local journalists), and procedural safeguards (e.g., exclusionary rules) of the judge's courtroom—allowing favoritism, favor-seeking, and connections to greatly influence sentencing outcomes; (b) prosecutors have misaligned incentives to over-use plea bargains to (i) reduce their workloads and save time/resources, (ii) increase their win-to-loss ratio which boosts their future prospects in private practice, and (iii) reserve high-profile “slam-dunk” cases with strong evidence for trial and bargain away weaker cases since the fear of humiliating and reputation-tarnishing acquittals (e.g., Maria Clark/OJ Simpson) outweighs the hope of convictions; (c) defense attorneys are ineffective at limiting prosecutorial abuse since (i) most defense attorneys are overworked, undercompensated, and understaffed,<sup>34</sup> (ii) high rates of physical stress (e.g., long hours, all-nighters) and emotional burnout among PDs lead to high rates of turnover, thereby increasing prosecutors' relative power in negotiations with inexperienced PDs since sentencing guidelines' dense complexity (e.g., 608 pages in the US federally) favors non-neophyte “repeat player” prosecutors with built-up expertise and pooled information, and (iii) PDs must maintain good relations and positive reputations with the county/regional judges they try cases before—but since judges usually show greater favoritism to PDs who dispose of cases quickly (e.g., through pliable bargaining in plea negotiations) PDs often face pressure, explicit or implicit, from judges to encourage defendants to accept plea bargains; (d) the epidemic of pretrial detention pressures defendants into accepting unfair plea deals since they may not be able to (i) strategize with PDs or (ii) acquire witnesses for trial; (e) defendants suffer from information asymmetries relative to prosecutors including (i) limited familiarity with the prosecutors, judges, and legal codes involved, (ii) minimal pre-trial information about the strength of the prosecution's case (e.g., credibility of evidence, availability of witnesses, expertise of prosecutor, etc.), and (iii) intoxication, inebriation, or mental illness may distort defendants' memories of crime and thereby limit their ability to anticipate the strength of potential evidence; (f) psychologically, defendants accept unfair plea bargains due to (i) intimidation and subtly coercive tactics employed by strongman “tough on crime” prosecutors, (ii) cynical distrust of legal institutions (i.e., “going to trial is hopeless”), and (iii) the emotional distress (and intense fear/vulnerability) which follows

---

<sup>34</sup> Public defense attorneys in Indianapolis, Indiana, earn just \$6/hr after accounting for overhead costs. Similarly, Florida's public defenders earn, on average \$41,500/year and since Florida permits families with income less than 200% of the poverty line (\$24,250), Florida public defenders are so poor that they are legally entitled to representation by Florida public defenders. Public defenders in St. Louis are so overworked that they often must rush between different courthouses in Pasadena Hills, Twin Oaks, Green Park, and Marlborough to defend ten to twelve clients *every day*. Multnomah County in Oregon consistently has over 1,000 criminal defendants who cannot get legal representation because the local PD system is overburdened.

arrests and detentions. (6) Reform is destined to fail: (a) judges have substantial incentives to accept plea bargains to protect their professional reputation by (i) avoiding the risk of issuing a decision that is later overturned and (ii) sidestepping the possibility of technical or evidentiary errors during trial; (b) prosecutors benefit tremendously from zealously embracing plea bargains since (i) assembling witnesses, collecting evidence, and preparing written and oral arguments is resource- and time-intensive and (ii) going to trial risks (politically damaging) losses or unexpected acquittals. (7) Plea bargains hurt victims, who often feel punishments are insufficient (“slap on the wrist”), feel prosecutors are acting selfishly, wish for the truth (rather than hurtful misinformative rumors) to be revealed publicly via trial, and find catharsis in testifying. (8) Plea bargaining is a tool of social control: socio-political elites offer “episodic leniency” by securing convictions with lessened sentences to quell social discontent. Indeed, plea bargains intensify racial and ethnic injustices in the criminal justice system; further, ties between prosecutors and police chiefs incentivize prosecutors to push for plea deals in cases involving police misconduct to avoid public outcry. (9) Plea bargains reduce judicial legitimacy: deals are cut behind closed-doors, far fewer citizens are summoned for jury duty, and justice lacks accountability.

- **For Plea Bargaining:** (1) Reform is the solution: (i) require prosecutors and police investigators to disclose evidence from discovery (especially exculpatory material) to rectify information asymmetries, (ii) abolish/restrain mandatory minimum sentences (which constitute the basis of prosecutorial bargaining power in negotiations) to enable fair bargaining, (iii) strengthen *judicial colloquy* (requirements of free consent and full information prior to entering a plea deal) to reduce prosecutorial strong-arming, and (iv) authorize magistrates and judges to monitor plea negotiations (e.g., mediate negotiations) and meet pre-plea with defense and prosecution representatives to ensure fair treatment of defense parties (i.e., “judicial plea bargaining”). (2) Courts are deeply overburdened, and plea bargains are essential in speedily delivering justice; increasing judicial capacity is expensive, politically difficult, lagging, and ineffective. Moreover, plea bargains enable courts to spend greater time and resources on the difficult cases which are not resolved through plea deals; absent plea bargains, resource-constrained judiciaries would struggle to deliver proper justice. (3) Banning plea bargaining is unjust: defendants and prosecutors have every right to enter a mutually beneficial deal which side-steps the mess, cost, and uncertainty of a trial. (4) Plea bargains are good for victims: (a) many want the process to simply be over, (b) the process of testifying is harrowing (e.g., cross-examination), (c) victims fear the possibility of acquittal, and (d) plea bargaining begets admittance of guilt which offers catharsis to victims. (5) Abolishing plea

bargaining simply drives plea deals underground<sup>35</sup> where protective mechanisms (e.g., *judicial colloquy*) disappear. (6) Outside the US, plea bargaining is kept in check by (a) prosecutor's incentives to go to trial (e.g., an interest to develop trial skills and improve human capital), (b) the public's interests in transparent and accountable justice, (c) increasing legislative and judicial scrutiny of plea deals and inequities in the bargaining process, (d) the reputational interests of defense lawyers, district attorneys, and prosecutors, (e) the anti-plea-bargain cognitive biases of defendants (e.g., positivity bias, temporal discounting, and self-selecting informational bias), and (f) defendants' deep-rooted distrust of (perceived) low-quality defense attorneys and prosecutors.

### **Developing World Queer Activism**

- **Pride Parades:** In 2022, Pride events were held in (approximately) 105 countries; many parades, celebrations, and festivals were held in capital cities, but Pride events are gradually spreading outside of cities (for instance, Peru's Pride parades were held not only in Lima, but also in Abancay and Cajamarca just as Nigeria's Pride parades spread beyond Windhoek into Kunene, Swakopmund, and Walvis Bay and Estonia's Pride celebrations were held not only in Tallinn but also in Tartu).
- **Judiciary:** In August 2018, Costa Rica's Supreme Court struck down the country's same-sex marriage ban. In September 2018, India's Supreme Court found Section 377 of the Indian (British) Penal Code, which criminalized same-sex relations, unconstitutional.<sup>36</sup> In March 2016, Colombia's Constitutional Court ruled 6–3 that criminalizing gay marriage violated the country's constitution. In January 2017, Pakistan's Lahore High Court ruled that trans people are entitled to enjoy equal constitutional rights. In March 2011, Thailand's Administrative Court ruled in favor of transgender rights under Section 30 of the national constitution.<sup>37</sup> In March 2023, the Kenyan High Court constitutionally affirmed queer peoples' rights of association (despite fierce political blowback). In June 2019, Botswana's High Court struck down the

---

<sup>35</sup> Alaska's Attorney General Avrum Gross abolished plea bargaining in August 1975; two years later, Alaska's Judicial Council evaluated the effects and found that guilty pleas dropped from 94% (pre-ban) to 92% (post-ban) suggesting that most defendants still expected to be convicted before a jury and pled guilty to skip straight to judge-determined sentencing. Similarly, when Philadelphia's District Attorney Arlen Specter abolished plea bargaining between 1969 and 1973, plea bargains simply shifted form: instead of defense attorneys and prosecutors jostling over charges and sentences, they negotiated over defendants waiving their rights to jury trials and instead electing for bench trials (decisions which functionally mirror plea deals).

<sup>36</sup> The court powerfully wrote: "If there is one constitutional tenet that can be said to be the underlying theme of the Indian Constitution, it is that of inclusiveness... This was the 'spirit behind the resolution' of which [Jawaharlal] Nehru spoke so passionately. In our view, Indian Constitutional law does not permit the statutory criminal law to be held captive by the popular misconceptions of who the LGBTs are. It cannot be forgotten that discrimination is the antithesis of equality."

<sup>37</sup> Section 30 prohibits discrimination on the basis of "phet" which loosely translates to "sex" in English. However, the court held that "phet" has a long history of fluidity which recognizes "the differences between individuals in sexual identity or gender or sexual diversity." As such, people of all gender identities are entitled to rights protections.

country's colonial-era sodomy law as contravening constitutional rights to privacy and liberty. In December 2007, in *Pant v Nepal* led by LGBTQ activist group Blue Diamond Society, Nepal's Supreme Court declared full human rights for sexual and gender minorities and recognized a "third gender" category for gender-fluid individuals.<sup>38</sup>

- **Case Studies:**

- **Uganda:** Through the Anti-Homosexuality Act, Ugandan President Yoweri Museveni (and his National Resistance Movement party) criminalized the "promotion of homosexuality," granted broad powers to law enforcement to crack down on Uganda's queer community, and outlawed Sexual Minorities Uganda, the country's leading gay rights advocacy organization.
- **Sri Lanka:** Influenced heavily from Burma's decades of British colonialism, Article 365 of the Sri Lankan Penal Code criminalizes homosexuality—although the law is rarely enforced and may soon be repealed by Sri Lanka's national parliament. Still, queer activism flourishes in Sri Lanka. Rosanna Flamer-Caldera, founder of Sri Lanka's Equal Ground advocacy group, is one of the country's most well-known LGBTQ activists and is leading the charge to overturn Article 365; other advocacy groups include the Venasa Network and the Jaffna Transgender Network. However, Sri Lankan LGBTQ NGOs have generally suffered from their reliance on foreign donors; consequently, Pride events are often held near Western embassies, luxury hotels, and foreign cultural centers, commonly use English as the dominant language, and LGBTQ advocacy demonstrations are largely concentrated in Jaffna and Colombo, two large Sri Lankan cities.
- **Jamaica:** Jamaica criminalizes homosexuality through the 1864 *Offenses Against the Person Act* (particularly Section 77) and the 2009 *Sexual Offenses Act*. Jamaican homophobia traces its roots back to British heteropatriarchy in the colonial period: British colonial officers imported strictly homophobic legal codes into Jamaican law and Christian missionaries forcibly converted most Jamaicans, both the free and the enslaved. The colonial roots of homophobia still influence contemporary queer rights beyond the Sexual Offenses Act, which directly borrows language from colonial-era British anti-sodomy penalties. Christian dogma (especially the story of Sodom and Gomorrah, who were divinely punished in the Book of Genesis for sexual deviance) is consistently invoked in justifying homophobia (and 93% of Jamaicans agree that "homosexuality is a sin;" Jamaican dancehall music and lyrics often equate sodomy with shame (e.g., Beenie Man, a Jamaican dancehall singer, condemns homosexuality in "That's Right" and the reggae group TOK wrote "Chi Chi Mon" which glamorizes the

---

<sup>38</sup> This distinction (e.g., effeminate gay men are known as *metis* or *kothis*) is like India's *hijras* who are popularly linked to Arjuna of the *Mahabharata* Sanskrit epic; Arjuna is typically portrayed as a half-man half-woman who wears bangles, dresses in female attire, and braids his hair like a woman. Hindu depictions of alternative genders among both humans and deities date back hundreds of years.

murder, and even burning, of homosexuals). J-Flag is Jamaica's best-known queer advocacy group; Brian Williamson led the movement until June 4, 2004, when he was stabbed to death to public cheers.

### **Strategic Decoupling**

- **Summary:** Biden has weaponized economic statecraft in decoupling/de-risking with China by (1) encouraging supply chain diversification through economic incentives (e.g., Inflation Reduction Act subsidies and stiff tariffs on Chinese-produced goods), transnational policy synchronization (e.g., the US–EU Trade and Technology Council<sup>39</sup> or TTC), executive action (e.g., Biden invoking the Defense Production Act to expand domestic solar panel production), and Washington's bully pulpit (e.g., Jake Sullivan's April 27 Brookings Institute speech or Janet Yellen's April 2022 Atlantic Council "friendshoring" speech), (2) economically penalizing China through protectionist measures<sup>40</sup> (e.g., Robert Lighthizer's Section 231 and Section 301 penalty tariffs on Chinese goods continued by Katherine Tai), sanctions (e.g., placing Huawei on the US' Entity List, sanctioning CCP enterprises with ties to the Chinese military, imposing Magnitsky Act sanctions on Xinjiang officials), and technology limits (e.g., export controls on advanced semiconductors, investment restrictions on sensitive Chinese technological industries, and persuading the Netherlands to impose export controls on ASML photolithography scanner equipment), and (3) pursuing industrial policy at home (e.g., the \$391B Inflation Reduction Act, the \$280B CHIPS Act, and the \$1.2T Infrastructure Investment and Jobs Act).
  - China recently announced new anti-US export restrictions on gallium and germanium, two critical minerals used widely in industrial manufacturing (especially the manufacturing of solar panels and missiles) and semiconductor production. While China produces 60% of the world's germanium and 80% of the world's gallium, the impact of the restrictions—which are largely symbolic—will be limited. Both minerals are chemically synthesized, and other countries—Belgium, Canada, Germany, Japan, Ukraine, and South Korea—already have the capability to produce both minerals. Furthermore, the US imports a limited quantity of both gallium and germanium, with imports barely eclipsing \$200M in 2022. And manufacturers may find viable substitutes.

---

<sup>39</sup> TTC negotiations have highlighted Germany's (and the EU's) departure from its decades-running *wandel durch handel* ("change through trade") doctrine which encouraged trade with authoritarian regimes, particularly Russia, to induce liberal reform.

<sup>40</sup> In March and July 2018, Trump imposed sweeping 25% *ad valorem* tariffs on \$34B in Chinese goods. Trump added further 25% sanctions on \$16B in Chinese goods in August 2018 and 10% sanctions on \$200B of Chinese imports in September 2018; December 2018's G20 Summit in Argentina mediated a partial ceasefire; after further tariffs in May and June 2019, another ceasefire at June 2019's G20 Summit in Japan. Tariff relief escalated greatly throughout 2020, including a Phase 1 trade deal signing in January 2020. Since then, the US has accused China of violating its obligations under the Phase 1 deal; tariff reductions during COVID, like on Chinese medical supplies, have largely been piecemeal.

Still, the CCP's warning shot is concerning, as China dominates global production of other crucial materials, like aluminum (China represents 60% of the market), polysilicon (China represents 80% of the market), and metal refining.

- **Latin America:** Thanks in part to nearshoring, **Mexico**'s exports rose a record 5.8% (to \$52.9B), automotive production soared 31%, and FDI increased by 48% in 23Q1 (to \$18.6B). steel giant Ternium is constructing a new \$3.2B plant in Monterrey, Mattel is building a \$50M plant in Nuevo Leon, Unilever (British consumer packaged goods manufacturer) pledged to build a \$400M factory in northern Mexico, Continental AG (German auto parts manufacturer) promised to build a \$209M factory in Guanajuato, and Kenso (Japanese automotive manufacturer) is expanding operations in Apodaca; companies are relocating to AMLO's Mexico to (1) escape Biden's 25% tariff on Chinese goods, (2) reduce transaction delays and costs when exporting to the US (e.g., transporting a 40-foot container from Shanghai to California costs over \$10K whereas Mexican *maquiladora* are closer), and (3) Mexico's comparative advantages, including (i) stronger IP protections, (ii) greater bilateral trade stability under the USMCA, and (iii) the peso's impressive strength and stability (thanks to Mexico's robust export sectors and independent Banxico central bank).
- **Southeast Asia:** Western MNCs/TNCs are diversifying supply chains away from China especially since Trump's 2018 tariffs, the CCP's three-year-long "Zero COVID" lockdowns, and Washington–Beijing geopolitical hostilities. Apple and its manufacturing partner Foxconn are expanding into India (e.g., two \$600M Foxconn factories in Karnataka and Apple iPhone 15 production in Tamil Nadu) and Vietnam (e.g., \$300M Foxconn factory in Bac Giang and Apple MacBook production in Hai Phong); similar moves have come from Amazon (which is now producing Fire TV Sticks in Chennai, India), Lego (which is building a \$1B factory in Binh Duong, Vietnam), Japan's capacitor manufacturer Murata (which is opening a \$82.5M multilayer ceramic capacitor plant in Lamphun, Thailand), Mazda (which is rerouting automotive supply networks outside China), and Samsung (which ended all production in China, namely in Huizhou, in 2021 and became Vietnam's largest foreign investor).
- **Critical Minerals:** Chile is home to 61% of the world's lithium supply (since **Chile, Argentina, and Bolivia** form the "lithium triangle") especially in the Atacama salt flats (and in April, Chilean President Boric announced that Chile would nationalize Chile's lithium reserves and require Albemarle and SQM, private lithium producers in Chile, to partner with the state); presently, 80% of America's imported lithium-ion batteries (necessary for EV production) originate from China. \$270B in tax credits under Biden's IRA incentivize US manufacturers (especially EV automotive manufacturers) to import lithium from countries with FTAs with the US (of which Chile is one). President Dina Boluarte's **Peru** is the world's second-largest copper producer (trailing only Boric's **Chile**); copper is a lynchpin of industrial economies and the US/EU will increasingly rely on Chilean and Peruvian copper. President Joko Widodo's **Indonesia** is the world's

largest nickel producer (trailed by Russia and the Philippines) with proven reserves in the Sulawesi and Halmahera islands but banned raw nickel exports in December 2020 to attract foreign TNCs to build smelting/processing facilities in Indonesia; FDI (particularly from China's Tsingshan Holding Group and Jiangsu Delong Nickel but also the West, e.g., Germany's BASF/France's Eramet building a \$2.6B nickel/cobalt polymer dispersion refinery plant in Merak) increased 40% in Q1/Q2 in 2022 especially in the sprawling Morowali Industrial Park in central Sulawesi. The lack of a Washington–Jakarta FTA/CMA (critical minerals agreement, e.g., US/Japan) limits US MNCs' incentives to invest in Indonesian nickel. Multilateral initiatives include the **Minerals Security Partnership** (a fourteen government coalition to catalyze private investment in diversifying critical mineral supply chains), the **European Battery Alliance** (EC President Ursula von der Leyen's multi-billion-euro initiative to build 180 industrial battery projects in continental Europe), and the **Critical Raw Materials Act** (an EU law which mandates at least 10% of Europe's mined strategic minerals must be sourced domestically and no more than 65% of any such mineral may come from a single non-EU country).

- **Inflation Reduction Act:** Passed in August 2022, the IRA authorizes \$391B in federal spending to incentivize the transition to clean energy and electric vehicles by (1) offering a 30% investment tax credit and \$0.0275/kWh production tax credit for renewable energy projects (with both investment and production tax credits increasing when solar/wind projects are built in low-income communities or indigenous land), (2) providing extensive credits to households, including (i) rebates and consumer tax credits worth \$8.8B for (consumer) home energy efficiency and electrification projects up to \$14K and (ii) \$4,000 tax credits for purchasing used electric vehicles and \$7,500 tax credits for purchasing new electric vehicles, (3) incentivizing manufacturers to produce solar modules, wind turbines, battery cells, and modules, as well as scale up critical minerals processing (through the Advanced Energy Project Credit and the Advanced Manufacturing Production Credit, and expanded), and (4) “lending green” by appropriating \$11.7B for the Department of Energy’s Loan Programs Office and establishing the Energy Infrastructure Reinvestment Program to guarantee up to \$500B in private-sector green loans. **Success?** The IRA has catalyzed an estimated 272 new clean energy projects<sup>41</sup> totaling \$278B representing over 170K jobs (as of August ‘23); many

---

<sup>41</sup> Battery examples include a 267-acre LFP battery factory in Tucson, Arizona; a battery-recycling plant in NY Rochester’s Eastman Business Park (sponsored by a \$375M Energy Department loan); and Japanese battery manufacturer AESC’s EV battery plant in Florence County, Florida. EV examples include a \$5.5B Hyundai EV factory in Savannah, Georgia; a 450K-square-foot \$205M Mobis EV facility in Montgomery, Alabama; and a \$200M 1.1M-square-foot General Motors EV assembly plant in Auburn Hills, Michigan.

projects are concentrated in the Midwest and South,<sup>42</sup> like the “battery belt” (Michigan, Indiana, Ohio, Kentucky, Tennessee, Georgia, and North/South Carolina) with Georgia, South Carolina, and Michigan leading the charge, with Tennessee's Chattanooga a crucial linchpin. **Criticism?** The NEPA permitting process is delaying approximately 100 gigawatts of clean energy (i.e., nuclear, solar, wind, and hydroelectric projects) projects since (1) NEPA environmental impact statements (EISs) take 4.5 years on average and often run longer than 1,000 pages, (2) private citizens/special interest groups (e.g., the Sierra Club) can litigate via NEPA for courts to grant injunctive relief (i.e., halt projects), and (3) NEPA reviews disproportionately delay clean projects (and hence deter investment) over fossil fuel projects since fossil fuel infrastructure is largely well-established and hence, fossil fuel infrastructure has already paid the “NEPA time tax.” EU leaders have expressed concern<sup>43</sup> against the “buy American” provisions<sup>44</sup> of the IRA; already, to exploit IRA support, Germany’s Marvel Fusion has relocated to Fort Collins, Colorado, and Tesla shifted EV battery cell production from its Berlin factory to US facilities. The EU has responded with the **Green Deal Industrial Plan** which (1) streamlines the EU’s regulatory, licensing, and permitting process through the Net-Zero Industry Act and the Critical Raw Materials Act and (2) amends the General Block Exemption Regulation (GBER) to allow EU members to provide state aid (i.e., subsidies) to clean energy projects—a direct mechanism to compete with the IRA!

- **US-EU Trade Relations:** The US and EU do not have a Free Trade Agreement (FTA) (despite comprising 43% of global GDP and trading extensively over \$1T annually) and the proposed Transatlantic Trade and Investment Partnership (T-TIP) has never materialized; the Biden administration has not requested Trade Promotion Authority (TPA) from Congress since the 2015 TPA expired in July 2021. Frictions intensified

---

<sup>42</sup> Three explanations for the American south’s outsized importance: (1) The American south shifted towards industrial manufacturing in the 1960s/70s; while globalization hollowed out America’s industrial base especially in the “battery belt” region, many cities retain transportation infrastructure, large swaths of trained workers, and shovel-ready business environments (e.g., Volkswagen shutting its well-known Chattanooga plant). (2) Many southern states are (relatively) rich in critical minerals (e.g., North Carolina’s Kings Mountain lithium mine, Arizona’s Morenci copper mine, and Nevada’s Silver Peak lithium mine) but mines were shut down under Reagan as mining internationalized; now, as Biden encourages onshoring, southern/midwestern states can exploit economies of agglomeration (e.g., mine lithium just outside Charlotte, produce EV batteries just outside of Atlanta, and assemble EVs at BMW’s flagship manufacturing plant in Spartanburg, South Carolina). (3) Production costs are lower in the south; minimum wages are lower, unionization rates are lower, and regulatory environments are laxer. Additionally, state corporate taxes and licensing fees are usually lower in the south.

<sup>43</sup> Macron has said the “super aggressive” subsidies could upend the EU-US “level playing field” through “unfriendly” IRA provisions which are “almost certain[ly] not compatible with [the] WTO and its rules.” The European Commission Vice President Margrethe Vestager has said the IRA threatens the “competitiveness of the European industry.”

<sup>44</sup> For instance, EV tax credits are only awarded when (1) 40% of the critical minerals used in EV batteries are either (i) extracted in the US or (ii) extracted from a US-FTA partner, and (2) 50% of EV batteries are assembled in the US or US-FTA partners. Those FTA partners are Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, and Singapore; the US has a mineral security partnership with Japan. No FTA exists between the US and EU nor the US and China.

under Trump: threats of retaliatory tariffs against the EU after five European countries (namely, France, Austria, Italy, Spain, and Britain) imposed digital services taxes (DSTs) on American tech companies; Trump's Section 232 tariffs on EU-produced steel and aluminum (which led to EU retaliatory tariffs on American orange juice, bourbon, and motorcycles); and a seventeen-year dispute since 2004 over states subsidizing Boeing (US) and Airbus (EU). Each dispute has since been resolved under Biden's administration thanks to Katherine Tai's USTR and the US–EU Trade and Technology Council (TTC); since February 2022, the US and EU have collaborated closely<sup>45</sup> on trade sanctions, export controls, and monetary/financial handicaps on Russia. Trade is largely duty-free: average tariffs are 3.4% in the US and 5.1% in the EU and 60% of bilateral merchandise flows are tariff-free. Flashpoints remain: (1) specific industries remain heavily non-liberalized (e.g., the EU imposes 26% tariffs on American seafood, 14%–22% tariffs on American automobiles, and 6.5% tariffs on American fertilizers) and thickets of protective EU regulation hamper American MNCs' entry (e.g., mandating extensive content protections and 30% European representation in media); (2) the US and EU harbor differing regulatory attitudes towards data protection and online privacy (e.g., the US–EU "Privacy Shield Framework" was struck down by the ECJ in July 2020); (3) agricultural protectionism stymies transatlantic liberalization (e.g., the EU's geographical indication labels protect premium brand-names like Prosciutto di Parma, the EU's anti-pesticide and anti-biotechnology "Farm to Fork" strategy, and the EU's controversial Common Market Organization under the CAP mirrors US agricultural incentives); (4) the US' refusal to reform the WTO or permit new appointments to the WTO Appellate Body; and (5) differing attitudes towards regulation complicate trade integration, with the EU favoring preemptive measures and the US preferring retroactive measures.

### **Children's Media**

- **Literature:** *Where the Wild Things Are* (written by Maurice Sendak in 1963 and tells the story of young Max and his experience with an angry tantrum), *Alice's Adventures in Wonderland* (written by Lewis Carroll in 1865 and tells the story of curious Alice and her adventures), *Pippi Longstocking* (written by Astrid Lindgren in 1945 and focuses on nine-year-old Pippi Longstocking, who is both a physically strong and emotionally spirited), *The Little Prince* (written by Antoine Saint-Exupéry in 1943 and is a well-known classic chronicling a prince's multi-planetary journey), *The Hobbit* (written by JRR Tolkien in 1937 and narrates the stories of Bilbo Baggins and Gandalf in Middle Earth), *Chronicles of Narnia* (a seven-book series written by C.S. Lewis in 1950–56 in which children are transported to Narnia), and *Winnie the Pooh* and *The House at Pooh Corner* (written originally by E. H. Shepard in 1925). Other examples include *Charlotte's*

---

<sup>45</sup> Further, in October 2021, the US (especially Yellen) and EU both helped negotiate the OECD/G20 pact with 130 countries representing 90% of global GDP to establish a common corporate tax rate of 15% to reduce tax evasion and the "race to the bottom" effect.

*Web, Matilda, Anne of Green Gables, Harry Potter, Little Women, Charlie and the Chocolate Factory, and The Very Hungry Caterpillar.* **Movies/TV:** Classics include *Finding Nemo, Mary Poppins, The Wizard of Oz, ET, Mulan, My Neighbor Totoro, Snow White and the Seven Dwarfs, Beauty and the Beast, The Lion King, The Muppet Movie, and The Sound of Music.* More recent productions include *Encanto, How to Train Your Dragon, The Lego Movie, Toy Story, Frozen, Spider-Man, and The Incredibles.*

- **Importance:** Children's media—mythology, fairy tales, literature, nursery rhymes, movies, picture books, cartoons, fables—serves many roles: (1) facilitating cultural transmission across generations (e.g., Brothers Grimm folklore codified Germanic mythological values into multi-generational stories, e.g., Aesop's Fables collected ancient Greek stories previously belonging to the oral tradition), (2) instilling basic moral values, ethical principles, and social customs in young children (e.g., Pinocchio's fable dissuades lying), (3) providing entertainment through laughter, escapism, and thrill (e.g., the unexpected friendship of Zuckerman's pig Wilbur and barn spider Charlotte), (4) furthering the development of reading, speaking, writing, and comprehension skills especially in the classroom, (5) equipping children with emotional attitudes and social tools, to “vaccinate” children against fear and help children navigate new and scary situations (e.g., , (6) presenting impressionable children with role models to model themselves after, and (7) offering comfort to children in difficult times through universalization (others experience similar adversity), catharsis (abreaction, i.e., releasing pent-up repressed emotions), distance (connection to an escapist fantasy), insight (skill-development and problem-solving tactics), and positivity (providing happiness to children facing negativity at home) especially since children are poorly situated to cope with adversity (as Shakespeare said in *Titus Andronicus*, “take choice of all my library and so beguile thy sorrow”).
- **Representation Problems.** Diversity is sorely lacking: women and minorities are systemically underrepresented (e.g., just 38% of characters on Cartoon Network, Disney Channel, and Nickelodeon are female); female characters (who are often sexualized) are usually shown using magic to solve problems while male characters are usually shown using real-world skills like genius or physicality; characters of color are more commonly depicted as violent or mal-intended than white characters; and vanishingly few characters are disabled or impoverished. Yet diversity is important: underrepresentation degrades self-esteem, breeds feelings of invisibility and inferiority, and allows anxiety about interracial contact to fester (whereas representation is often empowering and stereotype-busting, e.g., Mister Rogers interacting with Officer Clemens, a Black man). Why is children's media unrepresentative? (1) Media firms (e.g., 9 Story Media, Aardman, and DreamWorks) are internally unrepresentative: directors, producers, and media executives skew cis, white, and male. (2) Profit motives deter media studios from embracing diversity in casting and scriptwriting because (a) appealing to middle-class

ethno-racial majorities maximizes revenue potential and (b) studios are risk-averse<sup>46</sup> and hence seek to minimize the potential for right-wing anti-DEI backlash. (3) Even when media companies begrudgingly capitulate to demands for diversity, they usually “kill two birds with one stone” (e.g., female characters are twice as likely to be non-white, suggesting that media studios simply check off “parity” and “diversity” boxes in a single character), cast women/minorities in non-human (e.g., animal) roles, and mimic harmful stereotypes (e.g., Pocahontas as an “Indian princess” stereotype or Black characters as stereotypically successful athletes). (4) Media industries are highly concentrated<sup>47</sup> which reduces competitive pressures to take bold risks, limits opportunities for new actors/writers from underrepresented backgrounds to break into the industry,<sup>48</sup> grants a small cabal of media elites near-total control over media narratives, homogenizes/standardizes media content to appeal to broad majoritarian audiences, and insulates media executives from criticism/callout. Furthermore, film/book critics usually hail from society’s uppermost echelons and act with snobbish impunity.

- **Representation Optimism.** Yet diversity is improving: Encanto (a 2021 children’s movie with an entirely Latin American cast set in Colombia’s mountains), Coco (a 2017 Pixar film focusing heavily on Mexican culture), Moana (a 2016 Disney movie about Polynesian islanders), Elena of Avalor (a 2016 Disney TV series featuring Latina princesses), Molly of Denali (a 2019 children’s TV show featuring an indigenous Native Alaskan lead protagonist), and Craig of the Creek (a 2018 Cartoon Network TV program

<sup>46</sup> In the “Golden Age of Hollywood,” roughly between 1965 and 1980, writers were given great leeway to take big risks in hopes of huge payoffs. Since then, the industry has become more risk-averse for two reasons: (1) media production is inherently risky so media studios must minimize risk wherever possible, and (2) the rise of institutional investors owning large stakes in media firms demands consistent, stable returns from media studios. Companies cannot compete on price, so attracting a mass audience is inherently uncertain. Audiences behave unpredictably: some movies/shows flop for little (or poorly understood) reason. Since production costs (e.g., shooting/filming, post-production editing, staffing/casting, script rights, etc.) are high especially with big-name stars demanding ever-higher compensation packages, turning a profit is harder than ever. Hence, media studios face tremendous (and unavoidable) risk when producing new media—so media executives, in pursuit of prudential risk-management, maximize risk-aversion where possible. Furthermore, media studios are increasingly owned by Wall Street firms and institutional investors: Disney’s largest shareholder is Vanguard (as is also true for Universal), Warner Bros Discovery is 57.7% owned by institutional investors, and Primecap Odyssey Funds, a mutual fund, is Sony’s largest institutional shareholder.

<sup>47</sup> In cinematography, the “Big Five film studios” (Universal Pictures, Paramount Pictures, Warner Bros, Walt Disney Studios, and Sony Pictures) comprise 80–85% of box office revenues; in literature, the oligopolistic “Big Five book publishers” (Penguin Random House, Hachette Book Group, Harper Collins, Simon and Schuster, and Macmillan) control an estimated 80% of global trade book market; similar trends towards consolidation exist in television production (e.g., Sony, Warner Bros, Paramount, Fox, etc.) and media distribution (e.g., Netflix, Disney+, Amazon Prime, iQIYI, Tencent Video, and Max) due to economies of scale, regulatory compliance costs, union-driven prohibitive labor costs, and the inapplicability of the consumer-welfare standard to media production antitrust cases.

<sup>48</sup> The sociology and political-economy of creative labor markets are unusual because the barriers to entry are high: to get cast as an actor or hired as a writer, you need established commercial success—yet to get this success initially, you must be party to the closed social networks within Hollywood to land your *initial gig*. Of course, these closed social networks are exclusive; outsiders without familial or social networks with Hollywood’s powerbrokers struggle to break in. Usually, URM<sub>s</sub> suffer the most.

featuring lesbians, like Tabitha and Courtney, and Angel José, a non-binary character). Dora the Explorer, Mister Rogers' Neighborhood, and Sesame Street are good examples of highly representative children's television programs. Structurally, this trend towards progressivism rings true: (1) on average, audiences—young and old—are becoming more progressive (due to increasing access to education, the global decline of religion, falling levels of poverty, the spread of liberal values enabled by cultural globalization, the rise of powerful social movements, and gradual cultural evolution) and as the world shifts left, media firms are finding that diversity sells; (2) the rise of media distribution via decentralized streaming services (e.g., Netflix or Hulu) at the expense of centralized television networks (e.g., CBS or Fox) enables market segmentation (i.e., specific media productions for specific target demographics) incentivizes media firms to spotlight diverse stories to capture non-majoritarian market niches; (3) the writers, directors, producers, and actors responsible for producing children's media skew progressive since (a) they usually live in cosmopolitan leftist urban centers (e.g., Hollywood in Los Angeles and Bollywood in Mumbai), (b) they often have extensive educational credentials and bachelors in fine arts (e.g., from left-leaning institutions like Juilliard, Tisch, American Film Institute, and Guildhall), (c) they are usually affiliated with labor unions (e.g., Bollywood's All Indian Cine Workers Association, or AICWA, and Hollywood's SAG-AFTRA and Screen Actors Guild), (d) they frequently embrace counterculture movements since art strives to question the status quo, and (e) their craft's demands—playing, writing, and living as different characters from different backgrounds—cultivates empathy for those with differing perspectives (a hallmark of progressivism).

## **Pharmaceuticals**

- **Drug Development:** (1) **Drug discovery** takes place in research laboratories where scientists (i) identify “target molecules,” often G-protein-coupled receptors or protein kinases, believed to play a pathological role, (ii) screen thousands/millions of micro-molecule compounds (like peptide hormones, receptor antagonists, or oligonucleotides) with machine-powered high-throughput screening (HTS) assay procedures and *in silico* computer simulations to identify “screening hits,” (iii) predict each screening hit’s therapeutic potency and drug-like properties,<sup>49</sup> and (iv) subject screening hits to the H2L (“hit to lead”) process,<sup>50</sup> producing new chemical entities (NCEs) which show promise against target molecules—even though NCEs require

---

<sup>49</sup> Lipinski’s “Rule of Five” offers five guidelines for when small molecules will be druggable: molecules should have fewer than five hydrogen bond donors, fewer than ten hydrogen bond acceptors, have a molecular weight less than 500 daltons, and a partition coefficient below 5 (to ensure lipophobia).

<sup>50</sup> Here, screening (small molecule) hits undergo confirmatory and dose-response testing (where different concentrations are tested) and molecules are analyzed through biophysical testing (e.g., nuclear magnetic resonance spectroscopy) to further clarify molecules’ kinetic, thermodynamic, and stoichiometric properties; hit molecules are then optimized (e.g., through chemical modification of the hit molecule’s structure).

further testing (e.g., to determine toxicity, pharmacokinetics, etc.) before clinical trials. (2) **Preclinical research** examines effectiveness and the toxicity/carcinogenicity of lead compounds, both *in vitro* (i.e., exposing targeted cells in petri dishes to lead compounds) and *in vivo* (i.e., laboratory-bred mice/rats with controlled genetic<sup>51</sup> profiles); furthermore, preclinical tests offer insight into pharmacodynamics (i.e., how the molecule affects the body), pharmacokinetics (i.e., how the body affects the molecule), and ADME (i.e., how the body absorbs, distributes, metabolizes, and excretes the mole), and preclinical tests also help determine dosage/concentration for first-in-human clinical trials. Subsequently, pharmaceutical companies apply for authorization to conduct clinical trials (i.e., the FDA's Investigational New Drug program or the EMA's Clinical Trial Application program); applications require encouraging results from preclinical trials, extensive documentation (e.g., chemical stability, manufacturing process, etc.), and detailed outlines for clinical trials. (3) **Clinical research** determines the efficacy and safety of investigational new drugs. **Phase 0** clinical trial participants (often less than 15 in total) take subtherapeutic (i.e., low) doses; scientists monitor participants to test how the drug interacts with the body. **Phase 1** clinical trials test for safety, i.e., avoiding severe side effects; several dozen participants are involved, placebos are seldom used, and doses are given in ascending order if early low-dose results show limited side effects. **Phase 2** clinical trials test for efficacy; several hundred participants receive therapeutic dosages. **Phase 3** clinical trials test for comparative efficacy; thousands of patients, often receiving treatment in different medical facilities, receive therapeutic dosages while many receive standard treatments ("double-blind"). After Phase I, II, and III trials are complete, pharmaceutical companies submit a New Drug Application (US/FDA) or a Marketing Authorization Application (EU/EMA). (4) After regulatory approval, **Phase 4** clinical trials, featuring thousands of patients, conduct post-marketing surveillance by monitoring for long-term effects.

- **Approval Process:** Regulatory bodies (particularly the Food and Drug Administration in the US and the European Medicines Agency in the EU) review preclinical tests, clinical trial results, product label information, and chemical manufacturing details to ensure drugs are both safe and effective.
- **FDA:** The FDA began as a small component of the US Patent Office in 1862 but received enhanced authority through the Pure Food and Drug Act of 1906 and the Federal Food, Drug, and Cosmetics Act of 1938; the 1962 Kefauver-Harris amendment (prompted by the thalidomide birth defects scandal) required the FDA

---

<sup>51</sup> Lab mice, the most common animal test subjects, differ phenotypically in important ways: for example, mice have fewer neutrophil white blood cells and lower enzymatic capacity than humans; mice have different pentraxin proteins in their immune systems; lab mice are usually inbred (affecting their genetic profile versus humans) and usually have limited exposure to pathological microorganisms (so they have lower memory-T-cell counts than humans).

to begin testing for efficacy<sup>52</sup> in addition to safety. The FDA receives both federal funding (\$3.37B in 2022) and user fees from pharmaceutical companies (\$2.88B in 2022) and employs a total of 16,060 personnel. FDA NDAs (New Drug Applications) usually run over 100,000 pages, can take as long as six months, and application fees are \$3,242,026 in FY2023.

- **Death by Regulation:** (1) Regulatory bodies act defensively because not approving a “good” drug elicits little attention while approving a “bad” drug begets blowback (e.g., media scrutiny and congressional investigations); furthermore, oversight mechanisms (e.g., legislative subcommittees) are insufficient since mistaken approvals make for greater excitement (e.g., parading injured patients before cameras) than bureaucratic delays. Hence, regulatory bureaucrats are overly risk-averse (e.g., the FDA delaying approval of pirfenidone, which treats idiopathic pulmonary fibrosis, until 2014 despite conclusive proof of efficacy since the early 2000s and the FDA delaying FLUAD Quadrivalent, used to immunize seniors against influenza, by eighteen years). (2) Bureaucratic red-tape ensnares medical regulators: public controversies (e.g., the 1982 benoxaprofen scandal) drive politicians to demand greater due-diligence and internal oversight and the imposition of multilayer approval processes—even when doing so chokes regulators in sluggish thickets of red tape; moreover, while the pharmaceutical industry is ever-evolving, institutional inertia and bureaucratic rigidity ossifies antiquated norms within regulatory bodies (e.g., MHRA protocols required clinical trials for TGN1412, an immunomodulatory drug targeting leukemia, to dose six subjects successively on the same day, a long-outdated medical practice, and caused every subject to experience agonizing and life-threatening complications); and complying with bureaucratic systems is complex, costly, and arduous (e.g., extensive paperwork requirements, clinical laboratories cited in NDAs require federal certification, application materials cannot be emailed, quality-control inspections, and byzantine licensing requirements).
- **Length and Costs:** On average, drug development takes between 10 to 15 years, average costs are \$2.6B, and well less than 1% of drugs in development ever make it to market; even for drugs which reach clinical trials, over 90% fail. Each clinical trial phase is difficult to pass (e.g., in the US, drugs pass Phase I trials at a rate of 63% and Phase II trials at a rate of 31%).
- **Pharmaceutical Industry:** Pharmaceutical development is *expensive* (e.g., costs average over \$2B/therapy due to cutting-edge high-tech equipment, highly-trained biochemical and engineering specialists, multi-year multi-thousand-subject clinical trials, high-precision biochemical manufacturing, and regulatory compliance and advertising

---

<sup>52</sup> Curiously, the FDA went from approving an average of 50 drugs/year in the 1950s to just 17 drugs/year after 1962.

costs), *uncertain* (e.g., fewer than 1% of chemical cocktails/therapies reach clinical trials and just 10% reach pharmaceutical markets and achieve regulatory authorization), and *anti-competitive* (e.g., single pharmaceutical companies monopolize specific therapies for specific conditions through patents, first-mover advantages, anti-competitive laws, and generic delay tactics); as a consequence, the pharmaceutical industry tends towards natural monopoly—which enables price-gouging since pharmaceutical demand is highly inelastic. **Dominant players** include Pfizer, Johnson & Johnson, Sinopharm (China), Roche (Switzerland), Merck (Germany), AbbVie, Bayer (Germany), Novartis (Switzerland), Sanofi (France), AstraZeneca (Britain/Sweden), Abbott, and GSK (Britain).

- **Anti-Competitive Behavior:** Pharmaceutical companies protect their market power (“market exclusivity”) to lock-in drug revenues and recoup sunk research, development, testing, and production costs. Pharma companies abuse twenty-year patent laws<sup>53</sup> through (a) patent hopping, i.e., transitioning patients from one patented drug to another near-identical drug with a longer patent life (e.g., a brand drug company with an expiring patent on a tablet-form drug could switch customers onto a capsule version with many years of remaining patent eligibility of the same drug),<sup>54</sup> (b) new formulations, i.e., obtaining patents for new biochemical formations known to be clinically superior to thwart generic competitors (e.g., a brand drug company with an expiring patent on a twice-daily medication could patent a once-daily medication with similar efficacy),<sup>55</sup> (c) patent extensions, i.e., lengthening patent protections beyond twenty years (e.g., by patenting new uses of medications),<sup>56</sup> and (d) chiral switching, i.e., two-thirds of all drugs are enantiomeric chiral molecules (mirror-image “racemic” molecular pairs with each “twin” called an enantiomer), companies originally patent the full racemic mixture (both enantiomers), but later patent just one enantiomer,<sup>57</sup> patenting polymorphic

<sup>53</sup> In most countries, patentability requires applicant inventions be (1) statutory (i.e., meet subject-matter eligibility), (2) new (i.e., pass a prior-art search), (3) useful, and (4) non-obvious.

<sup>54</sup> United Therapeutics patented a pulmonary hypertension treatment, treprostinil, as an intravenous infusion called Remodulin in 2002; United Therapeutics then switched patients to Tyvaso, an inhaled formulation, in 2009, and Orenitram, an oral tablet, in 2013. Similarly, in 2001, Abbott’s patents on its 67 mg, 134 mg, and 200 mg capsules of Tricor (which lowers lipid levels) expired, the company introduced (and patented) 54 mg, 160 mg, and 200 mg tablets; this switch generated \$9M in revenues.

<sup>55</sup> Eli Lilly, facing an expiring (anti-depressant) Prozac, patented a once-weekly sustained-release fluoxetine formulation of the same drug; Bristol Myers Squibb did the same for Glucophage, a diabetes drug. GSK earned over \$1B annually on Imitrex (migraine treatment) sales; when the patent was due to expire in 2006, GSK patented a new formulation of Imitrex that could be delivered intranasally.

<sup>56</sup> Merck patented Finasteride to treat benign prostate enlargement but then secured extended patent protection from the FDA when Finasteride was found to treat male baldness. Eli Lilly pulled a similar trick with Prozac (antidepressant SSRI) and premenstrual dysphoric disorder.

<sup>57</sup> For instance, AstraZeneca owns patents on both omeprazole (brand name Prilosec) and esomeprazole (brand name Nexium). Omeprazole has a tri-coordinated sulfonyl sulfur pyramidal structure with both (*S*)- and (*R*)-enantiomers. Nexium, patented via chiral switching, is just the (*R*)- enantiomer. By patenting Nexium before 2000, the year Prilosec’s patent was due to expire, AstraZeneca extended its patent protection period by 13 years—and earned \$4B as a result.

pharmaceutical products is a similar tactic. Beyond patent laws, pharma companies protect their market power through “pay for delay” (i.e., settling with generic manufacturers), citizen petitions (i.e., citizens—often corporate—petition the FDA to delay generic drug applications), authorized generics (i.e., brand-name manufacturers have a narrow window of exclusively manufacturing generic-name drugs to establish name recognition and exploit first mover advantages), and lobbying (i.e., special interest groups spending \$1.6B between 2009–2015).

- **Revolving Door:**<sup>58</sup> Government regulators coming from previous stints in the private sector often act favorably toward their former employers. Experience working in the private sector leads regulators to feel sympathetic toward regulated firms and understand their perspectives. Regulators may hope to pursue lucrative post-government careers in the private sector. Regulators who leave for the private sector transfer “insider” information to private firms, enabling regulatory evasion. Former government officials now privately employed can leverage their connections with regulatory agencies to extract favorable concessions. Legislators often receive funding from private-sector donors and then exert influence (e.g., through appointments) on regulatory bodies. Regulatory bodies usually must consider all information submissions, enabling private firms to inundate regulators with slanted information (“information capture”). Regulators spend much of their time conversing and problem-solving with private-sector representatives, leading to “cognitive regulatory capture” via ideological osmosis; in particular, civil servants are subject to “cultural capture” since they often perceive well-spoken well-dressed private-sector lawyers/reps as in their social in-group and as prestigious. And public trust in regulatory bodies diminishes due to the *perception* of the revolving door effect. For example, Jeffrey Siegel worked for the FDA and approved Genentech’s NDA for Actemra and then later joined Genentech as Global Head of Rheumatology. Former FDA Commissioner Scott Gottlieb joined Pfizer’s Board of Directors four after resigning as FDA commissioner in March 2019. Dr. Stephen Hahn, former FDA Director under Trump, later accepted an executive position at the biotech venture capital firm Flagship Pioneering, which invested heavily in Moderna.
- **Pharmaceuticalization and Medicalization:** Since the late 20th century, a range of social, behavioral, and physical conditions have come to be defined medically—and have been deemed in need of treatment with pharmaceuticals (i.e., “medicalizing” daily life). Medicalization reflects the dominance of medical professionals—both for the better and

---

<sup>58</sup> Generally, four additional reasons—not applicable to the FDA— influence regulatory capture. First, regulatory agencies usually require industry cooperation, incentivizing such agencies to bend the knee. Second, regulations disproportionately hurt smaller firms, increasing consolidation, and therefore buttressing the bargaining power of established firms. Third, bureaucrats are often understaffed and under-resourced relative to TNCs. Fourth, the political support for robust regulation is diffuse (e.g., millions of consumers) whereas businesses constitute organized interests with greater stakes in regulatory policy.

for the worse. In bifurcating the “healthy” from the “ill,” medicalization often categorizes deviant behaviors and social problems as “sicknesses” (e.g., schizophrenia is often portrayed as a “Black disease”) hence intensifying ostracization which explains why queer liberationists and second-wave feminists opposed medicalization so stiffly. Medicalization categorizes normal behaviors as problems (e.g., erectile dysfunction is a normal symptom of aging yet is categorized as late-onset hypogonadism and premenstrual syndrome is healthy yet periodically treated with fluoxetine) and accelerates reliance on medications (e.g., rising methylphenidate prescriptions for those with ADHD, exponential increases in SSRI usage, the rise of “lifestyle drugs” like Viagra for ED and finasteride for balding, medically treating sleep disorders and non-morbid obesity, and increasing reclassification of prescription drugs as OTC); medicalization preys on peoples’ intense fear of illness—especially through (i) direct-to-consumer pharma advertising, (ii) health officials’ bully pulpits, (iii) disease mongering, and (iv) peoples’ individual anxieties that they may be unwell—and enables the rise of “therapeutic statism” by aggrandizing the authority of medical institutions (e.g., involuntary commitments for the mentally ill). Medicalization induces anxiety (e.g., “wellness obsession”), increases off-label use of medicine, and empowers improper use of medicines (due to data saturation, cognitive positivity biases, misinformation on social media and *medicalese* medical talk shows and corporate contributions to researchers), increases healthcare costs (e.g., by expanding the array of conditions marketed by pharmaceutical companies hence raising premiums and straining healthcare infrastructure), worsens health outcomes (e.g., replacing tried-and-true psychotherapy with dubious psychiatric medications), and enables frivolous medical negligence litigation (e.g., “I need this prescription—if not, I’ll sue!”). By contrast, biomedicalists champion pharmaceuticalization: previously undiagnosed conditions like depression and bipolar disorder receive proper care and increased medical attention (e.g., into these conditions’ pathophysiology); medicalization reduces stigma by reframing social deviance (e.g., obesity and attention-deficit/hyperactivity disorder) as *out-of-your-control* medical conditions; medicalization changes medical education/instruction (e.g., emphasizing the legitimacy of such conditions and encouraging doctors to take such matters seriously); medicalization increases medical trust by offering fixes for every-day non-dangerous problems hence building doctor–patient relations.

### **Emotional Psychology**

- **Emotional Psychology:** An emotional experience entails (1) a subjective experience (e.g., interpersonal conversations), (2) a psychological reaction (e.g., fight-or-flight instinctive reflexes, fast heartbeat, muscle tensing), (3) a behavioral/expressive response (e.g., facial expressions), and (4) a cognitive reaction (e.g., thoughts); emotions are provoked by stimuli and hence differ from “moods,” which lack clear starting points and are usually briefer. Basic emotions include sadness, happiness, fear, anger, surprise, and

disgust; complex emotions (like love, embarrassment, gratitude, and worry) fuse simple emotional building-blocks (e.g., hate amalgamates fear, anger, and disgust); secondary emotions are emotions about (primary) emotions (e.g., “I’m frustrated that I feel sad”). Per the **James–Lange Theory**,<sup>59</sup> physiological reactions (e.g., tears, rapid heartbeat, quick breathing, teeth-clenching) induce emotional reactions (e.g., sadness, fear, anxiety, anger); for this reason, smiling—even when unhappy—boosts happiness (namely, by releasing neuropeptides). the **Schachter-Singer Two-Factor Theory** and Cognitive Appraisal Theory extend James–Lange: while emotions reactions do follow physiological reactions, emotions are influenced by cognitive labeling (i.e., when an external stimulus induces a physiological reaction, we seek explanation for that reaction and then cognitively label the emotion we are experiencing).

- **Emotional Regulation:** We strive to regulate our emotions—responding to external stimuli flexibly and appropriately. Many struggle to regulate their emotions. Common-sense advice is inconsistent (e.g., “count to ten to dull your anger” and “bottling up anger backfires”) as are the messages internalized by children (e.g., parents, teachers, and therapists offer different insights). We shy away from fully expressing our emotions: we intellectualize emotions (to convince ourselves our pain isn’t so painful), hesitate to share openly (to avoid the stigma of openness), and speak in coded generalized language (to assuage our fears of judgment); we feel bad about feeling bad—negative secondary emotions intensify negative primary emotions. Thoughts control emotions yet thoughts are often uncontrollable (e.g., old memories re-appear unannounced, song lyrics play on repeat in our mental cadence, sad movies prompt days-long spells of worrying). Per Freud, the “strangulated effects” of emotional inhibition—silencing our emotions, repressing our memories—breeds psychological distress. Emotion supersedes reason (as Hume wrote, “reason is the slave of the passions”) since passion motivates reasoning (but not vice-versa), passion is impressionist and hence not subject to evaluation, and per the **somatic marker hypothesis**, cognitive reasoning alone fails (since cognitive modules are easily overwhelmed/exhausted).
- **Evolutionary Psychology** (“Fitness as Utility”): The powerful force of natural selection greatly influenced the development of human psychology—how humans cognitively process information and behaviorally act; in short, human behavior is driven by underlying psychological mechanisms which historically emerged as adaptive tools for survival and reproduction.

---

<sup>59</sup> William James wrote: “What kind of an emotion of fear would be left, if the feelings neither of quickened heart-beats nor of shallow breathing, neither of trembling lips nor of weakened limbs, neither of goose-flesh nor of visceral stirrings, were present, it is quite impossible to think. Can one fancy the state of rage and picture no ebullition of it in the chest, no flushing of the face, no dilatation of the nostrils, no clenching of the teeth, no impulse to vigorous action, but in their stead limp muscles, calm breathing, and a placid face?... The rage is as completely evaporated as the sensation of its so-called manifestations.”

- **Cognition's Modular Architecture:** The human mind is not a single rational decision-making device—rather, the human mind is composed of distinct and interrelated modules (units) specializing in different tasks (e.g., collecting, processing, and analyzing audiovisual stimuli). Evolutionarily, survival required humans to develop different specific solutions to different specific problems; as such, evolutionary pressures led different components of our minds to specialize in certain processes; neuroscience confirms the mind's modularity (e.g., neuroimaging data, fMRI scans, and blood-oxygen-level-dependence imaging show how different types of neurological activity stimulate different parts of the brain, e.g., the corticolimbic system—namely, the prefrontal cortex, amygdala, and hippocampus—regulates thoughts and emotions). Just like different organs (like kidneys, hearts, and lungs) evolved as domain-specific, so too did our emotional and cognitive features. The “modular structure” of the human mind both (1) helps explain subpersonalities—the different elements of our identities which respond to different life experiences, i.e., we act differently in different contexts with different people—and (2) clarifies how evolutionary processes alter our cost-benefit socio-psychological assessments (e.g., stronger threat-detection instincts for predatory animals than for high-speed cars).

### **Human Condition**

- **Improving:** Poverty has fallen: in 1800, 81% of the world lived in absolute poverty whereas in 2022, just 9% of the world lived in absolute poverty, and the rate at which poverty falls has increased steadily over time (e.g., poverty fell just 3% between 1800 and 1850 but fell 1% *every year* between 1990 and 2000). Life expectancy has soared from 39 in 1860 to 67 in 2000 to 73 in 2019; malnutrition has plummeted. Child mortality has dropped 59% since 1990. Maternal mortality rates fell by 43% between 1990 and 2015. Education access has shot up: 90% of the world receives a primary education and 87% of the world is literate. Rates of interstate warfare have decreased considerably since WWII. Global fertility rates have fallen from 6 children per woman to 2.3 children per woman. Previously lethal diseases (e.g., polio, smallpox, measles) have now been all but eradicated. Inequality—on the basis of race, gender, and sexuality—is under attack (e.g., 34 countries now recognize same-sex marriages, 4B people live under democratic rule, and women's university enrollment now outpaces that of men).
  - **Economic Growth:** Rapid economic growth—not only in China and India but also throughout Southeast Asia, Latin America, sub-Saharan Africa, and Eastern Europe—has lifted billions out of poverty. Globalization has liberalized trade, enabling economies to exploit their niche comparative advantages, poor consumers to afford lower-price goods, and low- and middle-income countries to move up the global value chain. Technological innovation, the product of humanity's innate curiosity and remarkable brilliance, has cured the sick through

medical advancements and fed the poor through agricultural breakthroughs. The neoliberal world order—characterized by multilateral cooperation, norms of democratic peace, and dispute-resolution mechanisms codified through international law—has reduced war and enabled collective action on pressing global issues like poverty alleviation. Urbanization has given birth to a new generation of megacities (e.g., Jakarta, Mumbai, Seoul, Cairo, Lagos, Karachi, and Istanbul).

- o **Women's Rights:** Women's educational rights are better protected than ever—girls' school life expectancy was just 6.7 years on average in 1970 but now surpasses 12 years on average; as women's educational prospects have improved, the opportunity costs of child-rearing have increased (hence decreasing incentives for having children) and contraceptive familiarity has increased.<sup>60</sup> Decades of persistent feminist advocacy<sup>61</sup> have reduced gender disparities; trends towards liberalization, aided by religion's decline, have also furthered women's rights. Additionally, women's workforce participation rates have increased greatly: the Industrial Revolution generated demand for both low-skill and low-education jobs, which women could compete for against men (relative to physically demanding agricultural work); improved maternal health and reduced fertility rates enabled women to enter the workforce as did the 20th century rise of democratic socialist politics (e.g., subsidized child care and paid parental leave); advancements in labor-saving durable household goods (e.g., running water plumbing systems, washing machines, electrical appliances, and vacuum cleaners) and time-saving products (e.g., frozen foods and ready-made garments) reduced weekly time spent on household chores by dozens of hours (i.e., 58 hours/week in 1900 to 18 hours/week in 1970); and the deterioration of socially regressive norms and public opinions against women working.
- o **Peace:** Democratization may have contributed to this era of relative peace, as democracy fosters a political culture of negotiation and conflict mediation; relatedly, the institutionalized safeguards innate to a functioning democracy, like the separation of powers and checks and balances, raise the bar to going to war.

---

<sup>60</sup> For instance, Kenya's fertility rate dropped by almost 13% after a 1985 educational reform extended mandatory education for girls by just one year.

<sup>61</sup> Malala Yousafzai ("you-suf-zie") spoke out against education injustices under the Taliban regime; on October 9, 2012, she was shot in the head by a masked gunman on a school bus. She later won the Nobel Peace Prize in 2014 for her work advancing girls' education around the world. Kriti Bharti, an Indian feminist, founded Saarthi Trust to combat child marriages in Patna, India, where over 1.5M young girls become child brides every year. The "Yes I Do" project—operating in Southeast Asia (especially Indonesia and Pakistan) and Southern Africa (especially Mozambique and Kenya)—fights against female genital mutilation, child marriage, and teen pregnancy. Manal al-Sharif led the Women2Drive movement in Saudi Arabia, driving illegally on March 10, 2008, and subsequently being detained. Zahra' Langhi, a Libyan feminist, founded (alongside thirty-four other feminists) the Libyan Women's Platform for Peace which successfully pushed electoral reforms which led to women earning 18% of the national vote in July 2012.

Furthermore, the rise of international organizations like the UN offers non-violent alternatives to mediating disputes. Similarly, the proliferation of regional free trade and globalization's explosive growth have strengthened the political and economic linkages between countries that discourage war. Nuclear weapons (and the inclusion of non-nuclear states under nuclear umbrellas) have acted as powerful deterrents, as have multilateral defense organizations like NATO.

### **Sexual Violence**

- **Frequency:** The WHO estimates 1 in every 3 women experience sexual violence during their life; rates of sexual violence are even higher in LMICs. Over 26% of college female undergraduates experience sexual violence during their time at university.<sup>62</sup> Roughly 91% of rape victims are women. Intersectionality heightens risks of sexual violence: indigenous, Black, trans, and disabled women are statistically more likely to be raped.
- **Reporting:** An estimated 90% of sexual assaults go unreported. Why? Many victims fear they will not be believed—even by families and friends, let alone law enforcement; in such situations, victims grow isolated and lack much-needed support. Victims similarly fear being outright blamed for their own assault (“this is your fault”), implicitly discredited (“you’re hysterical”), and interrogated endlessly: *What were you wearing? How much did you drink? How many sexual partners have you had?* Victims also fear reprisal from their assailters for coming forward, especially when they remain in close social proximity (e.g., a boss or family member). Trauma leaves victims questioning their own judgment; trauma’s crushing effects—depressive thought spirals, memory gaps, and despair and futility—lead many to feel they deserve their pain and to develop a grossly distorted view of themselves. Indeed, many rape victims don’t consider themselves (or identify as) rape victims. Low conviction rates further dissuade victims from coming forward: *why endure public humiliation, cross-examination, and re-traumatization if justice won’t be meted out?*
- **Causality:** Social learning theory posits that children who directly face abuse or witness intimate partner violence (IPV) while growing up are more likely to imitate that behavior as an adult. Patriarchal norms enable sexual violence by (i) promoting notions of male dominance and female submission, (ii) dehumanizing women in men’s eyes as sexual objects, (iii) encourages men to consider women their property, and (iv) propagates misogynistic conceptions of women as sex-craved sluts who are “asking for it;” radical feminist theory contends that rape is a core pillar of patriarchy—a violent tool of

---

<sup>62</sup> For instance, in October 2010, newly inducted members of Yale’s Delta Kappa Epsilon fraternity—which counts George HW Bush, George W Bush, and Brett Kavanaugh among its alumni—were videotaped chanting “no means yes, yes means anal.” In March 2006, Duke’s Division I lacrosse team hired strippers, grew angry since they weren’t white, and sexually harassed and hurled racial slurs at them.

exploitation used to deprive women of bodily sovereignty.<sup>63</sup> In this way, rape is terrorism—a practice which scares women into scrutinizing their own choices (e.g., what clothes they wear, who they spend time with, where they go, and so forth) and constitutes patriarchal racketeering (namely, “good men” protect women from “bad men”). Moreover, popular media objectifies women, trivializes rape, desensitizes men to sexual violence, and blames victims;<sup>64</sup> porn exacerbates this problem—especially by (i) eroticizing non-consensual sex, (ii) enabling men’s inappropriate fantasies, and (iii) normalizing physical aggression in sexual relations. Heritable genetic traits may also play a role; socially, those who are significantly involved in “delinquent subcultures” and who develop a heavy alcohol tolerance. Men who feel insecure or inadequate may, emboldened by cultural rape culture, sexually abuse women to satiate their thirst for “power.” Racism is also involved: historically, white men raped Black female slaves—and racial dynamics continue to influence contemporary sexual violence.

- **Prosecution:** Setting aside pre-trial concerns—namely, that sexual assault is chronically under-reported, prosecutors are reputationally keen to avoid losses and hence are hesitant to take shaky cases to court, and rapes may be reported years after they occurred and thus cannot be prosecuted due to statutes of limitations—sexual assault cases are difficult to prove: rape often occurs in private without other eyewitnesses, so juries must assess competing interpretations offered by prosecutors and defendants and juries, unfortunately, often view victims as hysterical; conviction demands prosecutors to prove *mens rea* (wrongful intent) which requires courts to consider each parties’ state of mind—and often leads defendants to escape accountability through stereotypes (e.g., by claiming they believed sex was consensual, lying that “she was flirting,” highlighting previous sexual activity, and so on); trauma’s debilitating cognitive, psychological, and emotional effects hamper victims’ ability to provide coherent testimony; evidence is sparse since rape kits are often unavailable (especially in low-income areas), expensive (especially for working-class women), and unimaginably scary/invasive (and often last up to five hours) and police departments (which skew male) either lack the manpower or willpower to fully investigate reported rapes—especially in socially conservative societies—and police often dismiss rape charges because they view victims as non-compliant; and victims often hesitate to testify as they are threatened by perpetrators into silence (especially when victims and perpetrators are economically codependent and have children), crushed by

---

<sup>63</sup> As famed feminist Andrea Dworkin wrote: “Rape is not committed by psychopaths or deviants from our social norms—rape is committed by exemplars of our social norms... Rape is no excess, no aberration, no accident, no mistake—it embodies sexuality as the culture defines it.”

<sup>64</sup> For example, Netflix’s 2020 “365 Days” film—which trended as Netflix’s No. 1 movie for ten straight weeks—explicitly glorified sexual violence: Italian mafia boss Massimo kidnaps Laura and gives her three-hundred and sixty-five days to fall in love, which she eventually does (i.e., Stockholm syndrome). HBO’s Game of Thrones includes multiple explicit rape scenes (e.g., Khal Drogo sexually assaults Daenerys Targaryen). Law & Order: Special Victims Unit repeatedly reaffirms how judges, prosecutors, and attorneys gaslight and blame victims. Robin Thicke’s “Blurred Lines” topped the charts in summer 2013 despite glorifying rape: “I hate these blurred lines; I know you want it.”

feelings of guilt and shame, doubtful of the justice system, and hope to move on from the past—rather than relitigate their trauma before a court room.

- **Improvements:** Many countries (including the US) have rape shield laws, which prohibit victims from being cross-examined about their sexual history, and many jurisdictions have abolished “prompt reporting” requirements, corroboration requirements, and “cautionary rule” recitations. Outside of the legal system, feminist NGOs often run rape crisis centers and support hotlines (e.g., the Rape, Abuse and Incest National Network or RAINN, founded in 1994, runs the national sexual assault hotline).
- **Violence or Sex?** Feminist anti-rape education campaigns often portray rape as a matter of violence not sex to (i) challenge mitigatory defenses of rape (e.g., “rape is just a crime of passion”), (ii) emphasize the role of non-sexual factors like anger and the desire for dominance in sexual assault, and (iii) underscore perpetrators’ violent nature (rather than “just a guy craving vigorous sex”). Opponents argue that the “violence not sex” narrative (i) ignores rape’s inherently sexual nature, (ii) invalidates victims’ sexual trauma, and (iii) ignores how overt physical violence is not a requirement for non-consensual sex to be rape.

### **China's Economic Slowdown**

- **Downturn:** Youth unemployment is well over 20%. Deflation is occurring: China’s CPI fell 0.3% year-on-year in July, prices on US imports from China fell 3%, and China’s producer price index fell 5.4% year-over-year. New bank loans fell 89% this summer (to 345B yuan) to the lowest levels since 2009. Imports fell 12.4% year-on-year while exports plunged 14.5% year-on-year. Foreign direct investment fell to a 25-year-low (to \$4.9B). China’s National Bureau of Statistics is restricting information, indicating times are tough. Tier 3 cities account for 80% of China’s housing stock but have 3.5B square feet of unsold apartments (equal to roughly four million units) and housing prices in Tier 3 cities are dropping; for example, in Beihai, a coastal city in southwestern Guangxi, housing prices fell from \$121/sq ft in 2019 to \$54/sq ft in 2022. The IMF has repeatedly cut growth projections for China; many private-sector analysts suspect China is inflating its statistics and masking the depth of China’s downturn. China’s post-COVID recovery lasted for a mere quarter (Q1 of 23). Evergrande and Country Garden are teetering on the edge.
- **Causal Explanations:** (1) Transitory factors hurt China’s economy: Zero COVID restrictions strangled domestic production, trapped millions in quasi-arbitrary lockdowns, crippled consumer demand, heightened regulatory uncertainty in the private sector, pushed Chinese municipalities to over-invest in bloated infrastructure projects (infrastructure spending jumped 9.8%), and caused unemployment rates—especially amongst migrant and youth workers—to spike; in 2022, China’s economy grew by a pedestrian 2.9% (while Beijing hoped for 5.5%). (2) Global economic conditions—like

high oil prices due to Russia's war in Ukraine and stifled consumer demand in Western economies due to ECB and Fed rate hikes—have limited Chinese growth opportunities. (3) Geopolitical rivalries between Washington and Beijing have entailed supply-chain decoupling, friend- and near-shoring, technology restrictions and export controls (especially for cutting-edge semiconductors), and costly tariff wars and subsidy races with Washington and Brussels. (4) Beijing's ideological rigidity—and, centrally, Xi Jinping's anti-private-sector vengeance (who champions “bigger and stronger state-owned enterprises”)—has suppressed private-sector growth, investment, and entrepreneurship (even though private firms contribute 50% of tax revenue, 60% of GDP, 70% of innovative capacity, 80% of urban employment, and 90% of new jobs). Entrepreneurs like Ren Zhiqiang (real estate development) and billionaire Sun Dawu (rural agriculture) have been jailed for anti-CCP comments; billionaire Jack Ma, formerly China's wealthiest man, disappeared after accusing CCP regulators of acting like “pawnshops” in October 2020, and China blocked Ant Group's \$34B IPO and slapped Alibaba with a \$2.8B antitrust fine. The CCP clamped down on private tutoring and education services (e.g., New Oriental fired 60,000 workers in 2022 alone), after-school video-gaming playing, ever-more-powerful technology conglomerates (especially Alibaba, Tencent, and Baidu) punished via antitrust and data security laws, and other private firms (e.g., DiDi Chuxing, a ride-hailing company, was forced off mobile app stores and banned from stock exchanges). The results of Xi's merciless crackdown have decimated China's economy: private-sector fixed-asset investment has plunged by over 60% since 2006 and efficiency and productivity have collapsed. (5) China's slowdown was inevitable: much like Singapore and Japan in the 1960s, Germany after WWII, and Kosovo in the 2000s, post-Mao China historically pursued development through a *Gerschenkron* strategy of high savings rates (leading to high levels of credit-driven investment through financial intermediation); national savings<sup>65</sup> hover between 35% and 40% of GDP (and hit 52% of GDP in 2008) and China's consumption as a proportion of GDP is unusually low at 38.2% of GDP (compared to 68.2% in the US, 51.9% in the EU, and 62.2% in Nigeria). Inevitably, investment undergirded by China's high savings rate (which fueled credit intermediation) outpaced China's absorptive capacity, i.e., China's ability to use additional capital productively, leading to asset bubbles (especially in real estate), an unsustainable rise in debt, and a shifting focus in lending towards soft budget

---

<sup>65</sup> China's high savings rate is deliberate. The 1980 one-child policy and agricultural de-collectivization saw savings rates rise from 5% to 20% (since the OCP reduced expenditures on children and incentivized parents to save more for retirement). Deng Xiaoping's 1990s southern tour reaffirmed China's tolerance for reform and led savings rates to rise from 20% to 25% (since the partial embrace of market capitalism meant the partial death of state welfare like the Cooperative Medical Scheme and hence incentivized precautionary saving). China's WTO entry in 2001 saw savings rates climb from 25% to 30%. Housing reform in the 1980s (e.g., privatizing real estate markets and converting rental stock into SOE worker ownership) drove homeownership rates from 20% in 1988 to 90% in 2007 (and the prospect of homeownership incentivizes saving in advance to cover down payments and pay mortgages). Financial repression via capital controls, central banking regulations, and state ownership of banks kept deposit interest rates low, incentivizing consumers to park their money in savings accounts.

constrained SOEs. Exacerbating these problems were state-controlled banks, which lubricated manufacturing/infrastructure enterprises with cheap abundant credit even when those enterprises built white elephants and awarded contracts nepotistically, and the People's Bank of China, which ferociously interfered with foreign exchange markets to depreciate the RMB. *China has over-focused on supply-side development and under-focused on demand-side development.* (6) China faces a demographic crisis borne partially from the 1979–2015 one-child policy and the “LLF” (later, longer, and fewer) 1970s campaign: its population is declining (and was surpassed by India in April) and its birth rate is just 1.3 births/woman (below the 2.1 births/woman rate needed for population stability). This crisis is disruptive: fewer workers drives labor costs up and intensifies labor shortages, fewer consumers crimps Chinese household demand and stunts housing demand, and the aging crisis jeopardizes social welfare, hospital, and pension systems in China (e.g., China's main pension will be exhausted by 2035) especially since workers retire on average at just 60 years old. (7) Nearly a quarter of China's economy is tied up in its sprawling real estate sector—yet the pandemic, demographic crisis, regulatory deleveraging campaign (“three red lines”), private-sector crackdown, and inefficient construction have left Evergrande, Country Garden, and local government financing vehicles burdened with untenable debt loads. Bloated infrastructure projects (e.g., “ghost cities” like Kangbashi, Yujiapu, and Meixi Lake) only worsen the problem.

- **Optimism?** Still, short-term fears of an impending economic Armageddon are over-hyped. Bank shares usually plunge in value just prior to crises (e.g., the American S&P Composite 1500 Banks index fell 60% between February 2007 and July 2008, e.g., the European FTSEurofirst 300 Banks index fell 45% between January 2010 and August 2011) but Chinese bank shares remain stable (e.g., the FTSE China 600 A-Share Bank index has a positive 200-day slope). Chinese equity markets show similar optimism: China's three major stock indices (Shanghai composite, Hang Seng, and H-shares) have a positive 200-day moving-average and have rebounded 10%–20% since October 2022. China is a major importer of global commodities; financial derivatives for such commodities would indicate an imminent Chinese collapse. Yet the CRB Commodity Index, which representatively measures aggregated price directions of various commodity resources, has stayed steady throughout 2023 (and may even suggest a bull market for commodities). China's RMB has rebounded healthily against the Japanese yen and the Korean won. Tourism to Macau recently reached 2018 levels. Car sales remain strong. Alibaba reported its strongest quarter on record in Q1 2023. Long-dated Chinese bonds are outperforming long-dated Treasury bonds by 35.3% since the pandemic with yields on Chinese bonds exceeding yields on Treasuries.

## Development of Artificial Intelligence

- **Companies Involved:** Sam Altman's OpenAI (funded by Microsoft), DeepMind (part of Alphabet), Scale AI, AlphaSense, Vectra, Databricks, IBM (e.g., Watson), AWS (e.g., Alexa), Meta (e.g., Metaverse), H2O AI, Dataiku, SenseTime, Salesforce, Cloudera.
  - **List:** OpenAI (GPT model development, \$11B, Sam Altman, 375 employees), Anduril Industries (defense software, \$2.4B, Brian Schimpf, 1,600 employees), Databricks (data storage/analytics, \$3.5B, Ali Ghodsi, 5,000 employees), Abnormal Security (email cyberattack detection, \$284M, Evan Resier, 500 employees), Adept (AI model developer, \$415M, David Luan, 25 employees), ScaleAI (data labeling, \$602M, Alexandr Wang, 600 employees), ShieldAI (autonomous defense software, \$520M, Ryan Tseng, 600 employees), AlphaSense (market intelligence search, \$520M, Jack Kokko, 1,112 employees), Anthropic (model developer, \$1.3B, Dario Amodei, 150 employees), Arize AI (data issue detection, \$62M, Jason Lopatecki, 65 employees), Bayesian Health (patient risk detection, \$30M, Suchi Saria, 23 employees), Canvas (construction robots, \$43M, Kevin Albert, 70 employees), Character.AI (chatbot, \$193M, Noam Shazeer), Clari (sales software, \$496M, Andy Bryen, 650 employees), Descript (video editing, \$100M, Andrew Mason, 100 employees), FarmWise Labs (weeding tractors, \$70M, Tjarko Leifer, 70 employees), Gong (sales software, \$584M, Amit Bendov, 1,200 employees), Hugging Face (open-source AI library, \$160M, Clément Delangue, 160 employees), Inflection (model developer, \$225M, Mustafa Suleyman, 30 employees), Insitro (drug discovery, \$700M, Daphne Koller, 230 employees), Ironclad (legal contract management, \$333M, Jason Boehmig, 472 employees), Midjourney (image generator, \$0M!, David Holz, 20 employees), Moveworks (automated IT support, \$315M, Bhavin Shah, 540 employees), PathAI (drug discovery/diagnosis, \$300M, Andy Beck, 250 employees), Trigo (retail checkout, \$205M, Michael Gabay, 200 employees), Vectra AI (cyberattack detection, \$350M, Hitesh Sheth, 617 employees).

## Technical Details

- **TLDR:** Raw input data is transformed into 0s and 1s. Those 0s and 1s are then inputted into artificial neurons called sigmoid neurons. Every sigmoid neuron stores “weights” ( $w$ ) and “biases” ( $b$ ); weights and biases are numbers. Each sigmoid neuron then multiplies its input data ( $x_i$ ) by weights ( $w_i$ ), compares that weighted sum to its bias ( $b_i$ ), then outputs a decimal between 0 and 1. That output is then fed into another artificial neuron. Many layers—thousands or even millions—are involved from start to finish. The innermost artificial neurons are called “hidden layers.”
  - Supervised neural networks learn through mini-batch stochastic gradient descent, an optimization algorithm which minimizes the mean-squared error cost function by approximating the weights and biases on a mini-batch of data points. For the

stochastic gradient descent optimization algorithm to work, backpropagation uses automatic differential calculus to calculate the gradient of the cost function

- **Supervised Learning Neural Networking:** Conventionally, programmers direct computers through code by breaking big problems into small computational tasks. Neural networks work differently: computers learn from observational data by figuring out solutions to problems. Neural networking mimics human cognition: each hemisphere in our brain has a visual cortex (V1, V2, V3, V4, and V5, with V1 the primary visual cortex).
- **Perceptron Networks:** Perceptrons are artificial neurons which take binary inputs ( $x_1, x_2, x_3$ ) and produce a single binary output. How? Perceptrons compute the weighted sum of inputs  $x_1, x_2, x_3$  with weights  $w_1, w_2, w_3$ . The binary output (0 or 1) depends on whether the weighted sum ( $\sum x_i w_i$ ) exceeds a threshold bias value  $b$  ( $\sum x_i w_i + b \leq 0$ ). Perceptrons form networks: a first layer of perceptrons feed their outputs into the next layer of perceptrons. Network behavior changes when the biases  $b$  and weights  $w$  change. Unfortunately, perceptron's binary nature is problematic: when correcting one error, changing weights and biases may cause large unintended errors for other network behaviors.
- **Sigmoid Neurons:** Perceptrons operate as step functions: outputs are 0 or 1. By contrast, sigmoid neurons output values between 0 and 1 (e.g., 0.638). Like perceptrons, sigmoid neurons take inputs  $x_1, x_2, x_3$ , with weights  $w_1, w_2, w_3$  and bias  $b$ . Outputs depend on the sigmoid ( $\sigma$ ) function, also known as the logistic function:  $\sigma(wx+b) \equiv 1/(1+e^{wx+b})$ . When plotted, this sigmoid function yields the characteristic smoothed-out S-shaped sigmoid curve. This sigmoid activation function is a significant improvement from the perceptron's linear (boolean) step function: all possible domain inputs are "squashed" into the range 0 to 1; usefully, the sigmoid function is also easily differentiated, making calculus-based computation straightforward. Most importantly, small changes in the bias ( $\Delta b$ ) and weights ( $\Delta w_i$ ) cause small changes in the output:  $\Delta \text{output}$  is a function of  $\Delta w_i$  and  $\Delta b$ .
- **Multilayer Perceptrons (MLPs):** Neural networks have an input layer (leftmost) and an output layer (rightmost); the hidden layers are called "hidden layers." These networks usually operate as feedforward networks (FFNs): the output from one layer is used as the input to the next layer. Hence, a neural network's architecture is usually structured as directed acyclic graphs whereby no layer's output depends on its own output; such neural architectures are called recurrent neural networks (RNNs).
- **Network Accuracy Optimization:** Supervised learning models are fed training sets  $(x,y)$  with inputs  $x$  and expected outputs  $y$ . Multilayer neural networks (MLPs) seek to minimize their (mean-squared error) cost function:  $C(w,b) \equiv$

$(1/2n) \sum \|y(x) - a\|^2$  for weights ( $w$ ), costs ( $b$ ), inputs ( $n$ ), expected output ( $y(x)$ ), and prediction ( $a$ ). The goal is to minimize  $C(w, b)$  such that  $y(x) \approx a$ .

- **Cost Minimization:** Consider an  $n$ -dimensional plot with weights and biases as inputs to the cost function. Our aim is to find the weights and biases which minimize the cost function's output. Gradient descent helps: consider a point on the cost function and use the gradient  $\nabla C$  to determine the change in input (weight and bias) variables  $\Delta v$  such that  $\Delta C$  is maximized, i.e.,  $\Delta C = \nabla C \cdot \Delta v$ . Then, scaling by the hyper-parameter “learning rate”  $\eta$  (eta), shift parameter variables opposite the direction of steepest ascent (computed via the gradient). This process, repeated iteratively, is called “gradient descent.” In summary, the gradient descent repeatedly computes the gradient  $\nabla C$  and shifts weights  $w_k$  and biases  $b_i$  in the direction which minimizes the cost function. The learning rate hyper-parameter determines the “size” of gradient descent and trades off the rate of convergence against the risk of over-shooting.
- **Stochastic Gradient Descent:** Applying gradient descent to large data sets is computationally intense. Stochastic gradient descent algorithms expedite the process of minimizing a MLP's cost function by applying the gradient descent algorithm to small “mini batch” datasets; this strategy is akin to political polling with small yet representative samples.
- **Deep Neural Networks:** Networks break complicated questions (e.g., “does this picture show a face?”) into multiple simple questions through a series of layers; early layers answer specific simple questions (e.g., “does this image have an eye in the top left?”) while later layers build up a hierarchy of complex abstract concepts. When neural networks contain multiple layers (two or more hidden layers) they are deemed “deep” neural networks.
- **Backpropagation:** The gradient descent algorithm adjusts parameters (weights and biases) by computing the cost function's gradient. Backpropagation, first popularized by the 1986 paper “Learning Representations by Back-Propagating Errors,” is the workhorse algorithm responsible for computing partial derivatives of the cost function with respect to any weight ( $\partial C / \partial w$ ) or bias ( $\partial C / \partial b$ ); in short, backpropagation determines how rapidly the cost function changes as we change weights and biases. Backpropagation works by simultaneously computing all partial derivatives  $\partial C / \partial w$  and  $\partial C / \partial b$  with one “forward pass” followed by one “backward pass” through the network. In this way, the backpropagation algorithm reveals the “strength” with which one neuron's activation affects another neuron's activation.
- **Gradient Descent with Backpropagation:** Supervised neural networks learn through mini-batch stochastic gradient descent, an optimization algorithm which minimizes the mean-squared error cost function by approximating the weights and biases on a mini-batch of data points. For the stochastic gradient descent

*optimization algorithm to work, backpropagation uses automatic differential calculus to calculate the gradient of the cost function.*

- **Cross-Entropy Cost Function:** Cross-entropy cost functions work on sigmoid neural networks and, unlike mean-squared error cost functions, accelerate the pace of learning when costs (errors) are large. Mathematically, the rate at which neural networks minimize the cross-entropy cost function is proportional to  $\sigma(z)-y$ —in other words, the output error.
- **L2 Regularization:** Neural networks may “overfit” by adapting to unique trends (i.e., statistical noise) particular to training data but not in the larger dataset; obviously, increasing the size of training data reduces overfitting (as does tracking accuracy on test data), but training data is often expensive to acquire. L2 regularization (or Tikhonov regularization) adds a “regularization term,” usually the summed squares of the network’s weights, to the cost function. This regularization process makes networks prefer smaller weights; empirically, this preference for smaller weights reduces overfitting since large weights are highly sensitive to changes in input.
- **Dropout:** The dropout approach to regularization cuts nodes (artificial neurons) from the neural network architecture (or greatly dilutes their weights). The dropout technique reduces overfitting by reducing co-adaptation, i.e., different hidden units having highly correlated behavior, hence increasing the network’s generalization, i.e., the network’s ability to properly adapt to new data.
- **Weight Initialization:** Neural networks learn through stochastic gradient descent with backpropagation algorithms, which optimize weights and biases for cost function minimization. Choosing smart initial weights aids this process. For instance, Xavier Initialization prevents gradients from being too small or too large by randomizing weights as a uniform probability distribution with variance inversely proportional to the number of inputs.
- **Early Stopping:** Training for too many epochs can lead to overfitting while training for too few epochs can lead to underfitting (and poor generalization). The “early stopping” practice halts training when a neural network’s performance on a validation dataset begins to degrade.
- **Hyper-Parameter Tuning:** Hyper-parameters (e.g., learning rate, mini-batch size, network topology, and network layer size) control the learning process whereas non-hyper-parameters (like weights and biases) are derived from the learning process. Common strategies for optimizing hyper-parameters include grid search, random search, Bayesian optimization, and gradient-based optimization.
- **Universality Theorem:** One can prove that feedforward neural network architecture is universally capable of approximating every function  $f(x)$  which maps points ( $x$ ) in the domain to points in the range ( $f(x)$ ). This Euclidean

universality is remarkable since many non-mathematical processes—identifying music, translating text, generating descriptions—can be modeled as functions. Hence, neural networks, if properly designed and trained, can represent any function; hence, the task is not answering “can this function be modeled via neural networking?” but instead answering “how can we compute this function?”

- **Difficulties with Neural Networks:** (1) Debugging is difficult: Is weight/bias initialization wrong? Do we lack sufficient training data? Is the network running for too few epochs? Is the learning rate too high? Is the network topology optimal? In general, a sophisticated algorithm loses out to a simple learning algorithm trained on good data. (2) Deep neural networks feature large numbers of parameters and hyper-parameters and incomprehensibly complex inter-relations between them. Consequently, reliable generalized theories about deep neural networks are hard to come by.

### *LLMs*

- **Large Language Models (LLMs):**

- **Text Preprocessing:** LLMs are trained on a text corpus, which must first undergo text preprocessing. Text undergoes **normalization**; for instance, insignificant “stop-words” are filtered out. Then, text undergoes **tokenization** in which a rule-based tokenizer splits unstructured text into digital tokens (like words, phrases, or individual characters); **byte-pair encoding** (BPE) helps with sub-word tokenization which mitigates the problem of OOV (out-of-vocabulary) words (since unknown OOV words can be represented as known sub-word lexeme tokens) and enables lossless data compression. **Lemmatization** morphologically parses and then canonicalizes words, determining their standard form (e.g., “walk” versus “walking” or “walks”). **Stemming** trims inflected words, often via the Porter algorithm, to their word stem (e.g., “connections” turns to “connect”) by stripping off affixes. **Sentence boundary disambiguation** breaks text strings into sentences. Preprocessed text corpora are then used for supervised or unsupervised machine learning.
- **Probability Distribution Language Modeling:** Language models conduct probability distributions on words, i.e., predict the next most appropriate word based on context:  $P(\text{word}_n \mid \text{word}_1, \text{word}_2, \dots, \text{word}_{n-1})$ ; calculating linguistic probabilities is critical for natural language processing (e.g., “back soonish” versus “bassoon dish”) of all kinds: speech recognition, machine translation, spelling correction, and so forth. **n-gram** modeling helps compute words’ probabilities. In short, an  $n$ -gram is a sequence of  $n$  words: bigrams contain two words (e.g., “please turn,” “turn your,” “your homework,” and “homework in”) while trigrams contain three words (e.g., “please turn your” and “your homework in”). n-gram models estimate the probability of the next word given the previous

- word(s) by exploiting the Markov property:  $P(w_n|w_{1:n-1}) \approx P(w_n|w_{n-1})$ . Hence,  $P(w_{1:n}) \approx \prod P(w_k | w_{k-1})$ .
- **SkipGram/CBOW:** Language models require **word embedding**, i.e., representing words as vectors which mathematically represent semantic relationships between words (e.g., the cosine similarity between “king” and “queen” is nearly 1). SkipGram and CBOW (Continuous Bag of Words) are common two-layer “word2vec” algorithms capable of producing word embeddings. The SkipGram model requires learning models to predict context words given a target word; the learning model’s network then iteratively adjusts word vectors. The CBOW model similarly requires learning models to predict a target word given context words. “GloVe” (Global Vectors for Word Representation) uses a different approach: the frequency of specific word co-occurrences are represented in a matrix then subject to singular value decomposition. Most natural language neural networks use cross-entropy loss (cost) functions and stochastic gradient descent. Word-vector representations (the process of the word embedding algorithm process) are then evaluated extrinsically and intrinsically.
  - **Smoothing:** Language models deal with maximum likelihood estimation (MLE) probability distributions: *which word is most likely to come next?* Yet training data will inevitably suffer from data sparsity: certain words, phrases, sentences, and lexemes will simply not be present (particularly due to Zipf’s Law, i.e., word frequency is inversely proportional to word rank, and Herdan’s Law, i.e., corpus length is inversely proportional to the number of distinct words)—hence rendering a probability of zero for all such words. Probability smoothing assigns non-zero probabilities to events (e.g., words) unseen in training. Smoothing techniques include Laplace smoothing (add-one probability smoothing), linear interpolation (constructing infinite linear polynomials from finite data points), stupid backoff (shifting from  $n$ -grams to  $n-1$ -grams), and—most popularly—Kneser-Ney smoothing (recursively assigning probability mass among both known and unknown  $n$ -grams based on past context).
  - **Seq2Seq with Attention Transformer Architecture:** Sentences usually emphasize certain words (e.g., “see that girl run”). Attention mechanisms (popularized in 2017 by Ashish Vaswani in “Attention is All You Need”) mimic cognitive attention by calculating soft weights for words. This is particularly important for encoder-decoder (“sequence to sequence” or “seq2seq”) network architecture, which involves dual neural networks: the encoder network takes a variable-length input (e.g., an English sentence) and produces fixed-dimensional “context vector” code (e.g., a vector) and the decoder network takes that “context vector” as input and produces variable-length output (e.g., a French sentence). Attention mechanisms assign “attention scores” (based on queries, keys, and

values) which are then turned into weights via a softmax (or hyperbolic tangent) function and concatenated as a weighted sum. In totality, this “attention mechanism” captures relationships and dependencies within input sequences (e.g., important words) as natural language processing can better understand long-range dependencies. Multi-head attention mechanisms run multiple attention mechanisms in parallel; such multi-head attention algorithms provide rich contextual information for natural language processing.

- **ZSL, FSL, and Task-Agnostic Models:** Optimally, pre-trained language models should generalize over new data categories not encountered in training and do so with new training on few unseen classes (“few-shot learning”) or no unseen classes (“zero-shot learning”); for instance, consider a bird-recognizing algorithm tasked with identifying an endangered bird with few pictures available. In fact, OpenAI’s May 28, 2020, paper announcing GPT-3 was titled “Language Models are Few-Shot Learners” since GPT-3 had *de facto* learned how to learn.
- **OpenAI’s GPT:** GPT (Generative Pre-trained Transformer) is OpenAI’s groundbreaking large language model (LLM) featuring 1.7 trillion parameters; training took 570 GB of text (particularly Common Crawl and WebText2), 285,000 processor cores, 10,000 graphics cards, and 800 petaflops of processing power.

#### *Private Sector’s Influence*

Role in AI Development	Major Companies (Non-Exhaustive)
Semiconductor Designing	Nvidia, Intel, AMD
Semiconductor Manufacturing	TSMC <sup>66</sup>
Data Storage and Processing	Amazon, Microsoft, IBM
Foundation Models Training	OpenAI, Baidu, DeepMind

- The lurking risks of a “corporate AI arms race” are ever-present. Companies that focus on safety and ethics will be crushed in the age of the AI race because unscrupulous AI developers, unbothered by ethical or safety concerns, will always outcompete cautious and prudent developers. Porous regulation only makes this possibility more likely, as does great power competition between the US and China, where AI development is centered.
  - Bostrom: “[In] an AI arms race... several development teams race to build the first AI. Under the assumption that the first AI will be very powerful and transformative, each team is incentivised to finish first—by skimping on safety

---

<sup>66</sup> The Taiwan Semiconductor Manufacturing Company is the world’s leading semiconductor manufacturer and manufactures over 90% of the world’s cutting-edge semiconductors.

precautions if need be... If the race takes some time, there is a persistent ratchet effect (or race to the bottom) in which each team reduces their safety precautions slightly... [I]f capability is much more important than the level of security precautions taken [i.e., if the speed of AI development depends overwhelmingly on the technical prowess of developers rather than on the duration of safety testing], the overall outcome is safer.”

- But those risks might be overhyped. Companies have strong reputational interests; releasing an unsafe or dangerous AI application could tarnish a company’s public image and jeopardize relations with creditors. Companies usually recognize that testing for safety is important to limit scrutiny by regulators and avoid costly lawsuits; even if regulations are imperfectly implemented or enforced, companies’ fear of litigation is intense. Furthermore, many of the people creating AI—the programmers and engineers and coders and statisticians and data scientists and mathematicians—care deeply about the principles of effective altruism.

### **Jerome Powell**

- **Background:** Powell attended Princeton where he graduated in 1975 with a degree in politics and Georgetown, where he was editor-in-chief of the *Georgetown Law Review*, where he graduated in 1979 with a law degree; he then clerked for a circuit court judge in New York. He subsequently entered the private sector, working at Dillon, Read & Co., an investment bank in New York, from 1984 to 1990. He worked in the George HW Bush administration’s Treasury Department from 1990 to 1993, focusing on financial institutions (where he oversaw the Salomon Brothers investigation) and Treasury debt markets. After leaving the public sector, Powell worked at the Carlyle Group, a private equity and asset management firm in Washington where he earned partner status, founded Severn Capital Partners, an industry-focused private investment firm, and became managing partner of Global Environment Fund, an environmentalist venture capital firm. Between 2010 and 2012, Powell then worked for the Bipartisan Policy Center during the debt-ceiling crisis.
- **Board of Governors:** President Obama nominated Powell, a lifelong Republican, to the Federal Reserve Board of Governors in 2012; he was subsequently re-confirmed in 2014 in a 67–24 vote. Trump then nominated Powell to be the Federal Reserve Chairman in November 2017; the Senate Banking Committee approved his nomination 22–1 (with Massachusetts’s Elizabeth Warren the sole dissenting vote). The Senate then confirmed his nomination in a 84–13 vote in January 2018.
- **Chairmanship:** Assuming office in February 2018, Powell continued Yellen’s quantitative tightening by raising rates and reducing the Fed’s asset portfolio; Trump vehemently disagreed. In October 2019, Powell *de facto* began a fourth round of quantitative easing through large-scale asset purchases. When the COVID pandemic hit in March 2020, Powell initiated an unprecedented Fed response. Since inflation surges

began in 2021, Powell has raised benchmark interest rates 11 times to between 5.25% and 5.50%.

- **Jackson Hole Federal Reserve Symposium:** When pandemic-fueled surging demand collided with supply restrictions, the FOMC tightened monetary policy, helping to unwind supply–demand distortions and slow aggregate demand. US PCE (personal consumption expenditures) inflation peaked at 7% in June 2022 but fell to 3.3% in July 2023. Core PCE inflation (which excludes food and energy costs) peaked at 5.4% in February 2022 but declined to 4.3% in July 2023. Still, while core inflation has fallen, two months (June/July) of good data isn't enough: further inflation deceleration is needed to build confidence and meet the dual mandate. **Core goods inflation** has fallen, especially for durable goods, partially due to monetary tightening and partially due to the unwinding of supply–demand dislocations; for instance, motor vehicle prices spiked in the pandemic as demand surged (due to fiscal transfers, low interest rates, limited spending on in-person services, and preferences shifting away from cities and public transit) and supply lagged (particularly thanks to semiconductor shortages), creating pent-up demand—but now, motor vehicle inventories have risen and high interest rates have weighted on demand (e.g., auto loan interest rates have doubled since mid-2022). Even still, core goods inflation remains well above pre-pandemic levels. **Housing inflation** has declined: mortgage rates doubled in 2022, housing sales fell, and housing price growth decreased—but still, since leases turn over slowly, decline in market rent growth has yet to appear in overall inflation measures. **Non-housing services** (like healthcare, food services, and transportation) **inflation** has declined in the last 3–6 months but only modestly since production is labor intensive (and labor markets remain tight) and demand is less interest rate sensitive. Hence, restrictive monetary policy is needed to lower inflation to 2%, especially to soften labor conditions. Progress has been made: two-year real yields have increased 250 bp and longer-term real yields have increased 150 bp; bank lending standards have tightened and loan growth has slowed sharply; growth in industrial production has slowed and residential investment has declined in the last 5 quarters. Nonetheless, consumer spending remains robust, the housing sector is picking back up, and the labor force remains strong (in part due to high female labor participation). 2% is the target: doing too little entrenches above-target inflation and requires painful future tightening to wring inflation out of the economy while doing too much inflicts unnecessary economic pain.

### **Professional Sport Harms**

- **Youth Athletes:** In the absence of professional sports, non-professional sports remain, allowing people to play sports without compensation. Yet professional sports are bad for youth and amateur athletes: idolizing top athletes can drive young athletes to overwork themselves in the hopes of reaching the big leagues; the cultural professionalization of youth sports adds unhealthy pressure to youth athletes (e.g., a win-at-all-costs mentality);

aspiring pro athletes often set unrealistic expectations for themselves (later leading to bitter disappointment); recreational sporting gradually adopts the über-competitive atmosphere of professional sporting; and internal (and external) pressure to shoot for a career in pro sports reduces academic engagement.

- **Economics:** Professional sports have historically been (and remain) an economic depressant: fans often spend excessively on merchandise, tickets, and overpriced in-game products (food, beer, jerseys, etc.); governments often invest heavily in sports—subsidizing stadium construction, offering teams affordable interest rates on loans, granting preferential access to land, and so forth—since sports are politically popular amongst local electorates (particularly since stadium construction boosts short-term employment), many overestimate stadiums' pecuniary impacts, and the psychocultural benefits (e.g., fan enjoyment) are appealing; cities compete in “bidding wars” to attract teams (e.g., Swansea and Cardiff in Wales competing for the Millennium Stadium); building stadiums and sporting facilities often drives slum-clearing and catalyzes gentrification; economic gains from professional sports are limited since (i) pro teams directly employ few people, (ii) revenue flows predominantly to media conglomerates and teams' corporate owners, (iii) inflexible leisure budgets are zero-sum (i.e., substitution effects), (iv) professional sporting leagues exercise *de facto* monopoly power through franchise locations, player contracts, and league rules, and (v) local sporting revenues leak elsewhere (e.g., national media contracts, concession-stand companies, and so on); and construction costs are high (especially since fixed-date competitions like the Olympics give contractors considerable leverage), forced/slave labor is often employed (e.g., kafala migrant workers in Qatar), corruption is endemic within sporting associations (famously including FIFA), and sporting infrastructure often ends up as white elephants (e.g., China's 2008 Olympic stadiums).
- **Culture:** Professional sports often glorify toxic masculinity (e.g., discouraging shows of weakness), normalize physical aggression and violence (e.g., fist-fighting in NHL matches), and idolize harmful role-models (e.g., Kobe Bryant); fans develop strong attachments to their preferred teams, leading to acrimonious rivalries and even violence (e.g., the murder of Colombian footballer Andrés Escobar). National sports can drive toxic nationalism weaponizable by political elites.
- **Geopolitics:** Professional sporting enables sports-washing by oligarchs and autocrats (e.g., the 1978 FIBA Championship in Ferdinand Marcos's Philippines, the 1974 “Rumble in the Jungle” heavyweight match in Mobutu's Zaire, the 2003 Cricket World Cup in Mugabe's Zimbabwe, Riyadh's extensive investments in LIV Golf and Newcastle United FC, etc.); the unique cultural influence, global visibility, and social significance attached to sports supercharges this instrument of statecraft. Furthermore, sporting rivalries can breed hostile animosity between countries (e.g., the 1969 “Football War” between El Salvador and Honduras).

## Fiscal Stimulus

- Crisis/Recession Examples:

- **Subprime Mortgage Financial Crisis (2008)**: The subprime mortgage crisis began when America's housing bubble, fueled by mortgage securitization, deregulation, and debt collateralization, burst, contributing to the financial system's meltdown which crushed Wall Street giants like AIG, Lehman, and Bear Stearns. US households lost \$11.2T in wealth, the stock market fell 40%, housing prices declined 20%, and unemployment hit 10.1%. Congress intervened with the \$700B Troubled Asset Relief Program and the Federal Reserve slashed interest rates while lubricating credit markets via large-scale asset purchases (e.g., QE1 expanded the Fed's balance sheet by \$2T).
- **Asian Financial Crisis (1997)**: Hot money inflows (aided by SEA's high interest rates and ~9% annual growth rates) drove credit bubbles in Thailand, South Korea, Malaysia, and Indonesia; crony capitalism, moral hazard, and porous financial oversight led to high rates of non-performing loans. As Greenspan's Fed hiked interest rates after the 1990/91 recession, exchange rates for SEA's pegged currencies (i.e., Thai baht, Korean won, Philippine peso, Indonesian rupiah, Malaysian ringgit) became overvalued; investors feared Thailand's rising current account deficit and USD-denominated debt levels. Speculative attacks eventually forced Thailand, foreign reserves depleted, to devalue the baht on July 2, 1997. Contagion spread, panic metastasized, and Asia fell.
- **Mexican Peso Crisis (1994)**: With NAFTA inspiring investor confidence and Mexico's financial markets flooded with dollar-denominated debts (aided by the Mexican Treasury's short-term dollarized *tesobonos* bonds), the Mexican peso's exchange rate grew overvalued; the Zapatista uprising in Chiapas, assassination of candidate Luis Donaldo Colosio, and post-1991 US interest rate hikes raised fears about Mexico's current account deficit and overvalued exchange rate. In December 1994, newly elected President Ernesto Zedillo devalued the peso, and then scrapped the peg altogether. Financial markets panicked as foreign investors fled and capital flight ensued; the peso's value collapsed by over 50% and dollarized debt obligations (alongside trade imports) became cost-prohibitive. GDP fell 6.3% in 1995. Mexico accepted a \$50B IMF bailout.
- **Greek Debt Crisis (2010–15)**: When Greece's 2001 eurozone entrance slashed average long-term interest rates from 15% to 5%, the Greek budget deficit soared (with private-sector debt surging from 81.5% of GDP in 1999 to 131.5% of GDP in 2009). Pro-cyclical fiscal policies, even for stagnant industries (which were non-competitive in the EU) and bloated zombie SOEs, were (arguably) made possible by this "euro euphoria." In October 2009, George Papandreou's PASOK revised Greece's budget deficit from 3.7% (an incorrect figure) to 15.6%; German–Greek bond yield spreads increased by 4000 basis points, year-over-year

GDP fell 25%, unemployment rates hit 27.5%, half a million Greeks emigrated, one-third of the country fell into poverty, and €24B worth of bank deposits fled Greece. Three successive IMF bailouts (2010/€110B, 2012/€130B, 2015/€86B) eventually stabilized Greece's debt-ridden economy, even despite the January 2015 victory of Alexis Tsipras's Syriza.

- **Miscellaneous:** The **Great Depression** of the 1930s remains the world's deepest and most protracted economic crisis in contemporary history; only after WWII did the global economy truly recover. **Japan's Lost Decade** (1990s/2000s) occurred when Japan's wide-reaching asset bubbles, especially in speculative real estate investments (fueled by the BOJ's rate-slashing after the 1985 Plaza Accord led to the yen's appreciation), burst due to BOJ tightening/rate hikes; housing prices imploded, insolvent banks needed bailouts, stock markets crashed, and deflationary spirals set in. ***La Década Perdida***, or Latin America's "Lost Decade," followed debt-fueled spending sprees in the 1970s (partially made possible by high oil prices); subsequently, commodity price declines and Paul Volcker's hawkish contractionary policies left Latin America drowning in sovereign debt crises.
- **Stimulus Examples:**
  - **COVID:** States responded to the COVID pandemic with an unprecedented level of fiscal stimulus, e.g., the US' \$1.9T CARES Act, Japan's four rounds of stimulus totaling ¥300T, Germany's €130B fiscal stimulus package, India's ₹1.7T spending initiative, Brazil's R\$1.16T relief package, and the UK's £372B stimulus bill.
  - **GFC '08:** On the heels of the financial crisis, the American Recovery and Reinvestment Act (ARRA), passed in February 2009, injected \$787B into the US economy. Many other countries hit by the crisis responded similarly: the Labor Party in Australia passed \$52B in cumulative stimulus packages; the CCP authorized ¥4T in spending to boost China's economy; with interest rates near the zero lower bound, Japan under Tarō Asō pumped ¥25T into the economy; Thailand's ฿2T 2009 Thai Khem Khaeng invested in long-term development; Kenya spent Ksh22B (shillings) and in total, South Korea spent ₩69T on stimulus following the onset of the crisis.
- **Crisis Anatomy:** What drives economic crises? Supply and demand each play key roles. Demand shocks reduce businesses' and households' willingness to consume and invest. Supply shocks reduce the economy's ability to produce output. Demand-side crises decrease output and prices. Supply-side crises decrease output and increase prices.
  - **Demand Shocks:** For a Keynesian purist, aggregate demand governs business cycles (particularly since demand drives supply, i.e., production levels and prices); hence, as demand—consisting of government spending, consumption, investment, and net exports—drops independent of supply, production falls in

tandem with consumption, driving a vicious downward spiral. Many factors can drive demand shocks:

- Downturns in **consumer confidence** decrease consumption. For instance, the GFC's financial instability (e.g., Lehman's bankruptcy) drove the Consumer Confidence Index to an all time low of 38 in October 2008; consequently, consumer spending fell by approximately 11%.
- Per the **wealth effect**, consumer expenditures drop when household wealth (e.g., home equity or financial assets) decreases due to future uncertainty, precautionary saving, shattered confidence, and credit constraints. For example, Japan's 1990s recession saw TOPIX (Tokyo Stock Price Index) drop 26.9% annually and land prices fall 13.9% annually; consequently, Japanese consumers' marginal propensity to consume sharply declined.
- **Contractionary monetary policies** (e.g., raising interest rates) restricts access to credit and hence decreases aggregate demand. For instance, in 2016, Nigeria's central bank led by Godwin Emefiele raised benchmark interest rates to 14% and floated the naira; tightened credit markets intensified Nigeria's subsequent recession.
- **Contractionary fiscal policies** (e.g., reduced government spending) puts downward pressure on aggregate demand. Troika austerity in Athens is case in point.
- **External shocks** like natural disasters (e.g., the 2011 Tōhoku tsunami in Japan), epidemiological crises (e.g., Liberia's 2014 ebola crisis), and violent conflicts (e.g., jihadist insurgencies in the Sahel) can suppress aggregate demand—particularly, by stunting inflows of foreign investment and reducing global tourism.
- **Supply Shocks:** Owing to the vastness of global supply/value chains, production is complex; as such, when production inputs (e.g., commodities like oil, raw materials like lumber, technologies like semiconductors, and so on) become less abundant or more expensive, output levels fall, and price levels rise (“stagflation”). Unfortunately, supply-side crises are generally harder to tame since demand-side interventions (e.g., lowering interest rates and Keynesian pump-priming) increase output but usually accelerate inflation and supply-side policy tools often cannot rectify global shocks (e.g., oil price volatility). Several factors contribute to supply shocks:
  - **Resource commodities** are essential for all kinds of industries, yet commodity prices are notoriously volatile due to geopolitics (e.g., the 1973 O(A)PEC embargo, the 1979 Iranian Revolution, the 1980s Iran–Iraq War, Saddam Hussein's invasion of Kuwait, and American invasions in Afghanistan and Iraq), cartel-like production (e.g., OPEC functioning as a *de facto* oligopoly), environmental disasters (e.g.,

Hurricane Katrina in August 2005 sent West Texas Intermediate crude oil prices over \$70/barrel), and supply and demand inelasticity.

- **Natural disasters**—earthquakes, monsoons, hurricanes, floods, droughts, wildfires—stunt production by destroying productive infrastructure (e.g., the 2010 Haiti earthquake destroyed all transport facilities in Port-au-Prince), obliterating local industries (e.g., the 2004 Indian Ocean tsunami temporarily crushed Sri Lanka’s fishing industry), and disrupting global supply chains (e.g., haze from Sumatra’s wildfires complicates naval passage through the Strait of Malacca).
- **Agricultural production** is particularly vulnerable to supply shocks. Natural disasters like intense droughts, wildfires, and floods stunt (if not eradicate) crop growth and soil (e.g., Ethiopia’s 1983 drought intensified disruptions in Ethiopian agriculture). Pests and diseases have similar consequences (e.g., desert locusts besieged West African farmers in Mauritania, Mali, Niger, and Sudan in 2004/05, causing \$2.5B in crop losses) as do trade restrictions (e.g., the defunct Russia–Ukraine grain deal). Volatile prices for agricultural inputs like pesticides and fertilizers (which usually contain nitrogen borne from natural gas hence indirectly tying fertilizer prices to oil prices) can also drive supply shocks.
- Supply chains aren’t immune from **geopolitics**; for instance, sanctions can disrupt the flow of trade (e.g., US sanctions on Iranian oil). Additionally, **labor** is needed to produce goods and services; consequently, labor strikes can cause supply shocks.

- **Further Hypotheses:**

- **Currency crises** (and, similarly, balance of payments crises) are often responsible for economic pain, particularly in emerging markets where central banks’ forex reserves are limited, and exchange rates are volatile. Examples include the 1994 Mexican peso crisis (with the Mexican peso falling 30% in two weeks), the 1997 Asian financial crisis (with the Indonesian rupiah falling to one-sixth its pre-crisis rate), the 1998 Russian financial crisis (with the ruble losing two-thirds of its previous value), and the 2002 Argentine crisis (with the peso falling 40% on January 6 alone). Currency crises are devastating: instability begets capital flight and investor confidence vanishes; deflation exacerbates import inflation; central banks rapidly exhaust their FX reserves and raise interest rates; foreign-denominated loans become cost-prohibitive; and currency crises often spread contagiously. **Sovereign debt crises** (e.g., Greece during the Eurozone debt crisis) can be similarly destructive.
- **Failures in financial markets** (e.g., loan non-performance in Asia circa 1997 or defaulting subprime mortgage-backed securities on Wall Street

circa 2008) destabilize economies by tightening lending standards, freezing credit markets, and causing financial contagion. In an age of financialization, disruptions on Wall Street soon spread to Main Street. On the subject, **Minsky's financial instability hypothesis**, discredited until '08, posits that financial systems are behaviorally hard-wired towards speculative overleveraging: post-crisis prudence/caution gradually gives way to Shiller's "irrational exuberance" and borrowers shift from hedge to speculative to Ponzi financing.

- **Monetarists** à la Milton Friedman champion the importance of the money supply (and, by extension, predictability in monetary policy).

### **Broken Windows Policing**

- **Broken Windows Theory:** Though empirically debunked (and rightly criticized as condoning racial profiling and empowering discriminatory policing tactics), BWT posits that visible signs of crime/antisocial behavior encourage further criminal behavior. Per BWT's seminal work—an article by James Wilson and George Kelling in *The Atlantic*'s March 1982 issue—if a “window in a building is broken and is left unrepaired... all the rest of the windows will soon be broken.” As Malcolm Gladwell put it: “If a window is broken and left unrepaired, people walking by will conclude that no one cares and no one is in charge. Soon, more windows will be broken, and the sense of anarchy will spread from [the] building to the street on which it faces, sending a signal that anything goes.”
  - From these observations, broken windows theorists claim that crime prevention—even for violent offenses like murder—must focus on stopping small-scale crime, e.g., vandalism, loitering, public drinking, fare-dodging, graffitiing, even jaywalking. Per BWT, environmental landscapes send communicative “social signs” to local residents: disordered environments characterized by petty theft, shattered windows, littered trash, fare evasion, and public graffiti signal limited social control, poor surveillance and monitoring, and low risk of criminal apprehension.
  - In this context, BWT posits that broken windows—literally and metaphorically—increase crime in three ways. First, disorderly social signals “nudge” law-abiding citizens towards crime: just as no one litters in a museum (where littering yields fierce disapprobation) but many litter in sports stadiums (where littering is frequent), broken windows subconsciously normalize crime, decrease the perceived costs (and capture risks) of low-intensity criminal activity, and, over time, intensify criminal behavior (i.e., BWT theorists claim litter, graffiti, and vandalism metastasize into robbery, murder, and rape). Second, as communities gradually (and almost imperceptibly) fall into disarray—caused partially by exogenous factors like discrimination, poverty, and low-quality public services and partially by endogenous “broken windows” factors—fear sets in;

residents may avoid public areas, fearing run-ins with rowdy teenagers, aggressive panhandlers, and criminals. Consequently, communities grow isolated (weakening the communal ties and social control mechanisms which reduce crime, as per the “incivilities hypothesis”) and residents feel less connection to public spaces (reducing residents’ interest in ensuring the safety and cleanliness of public spaces, as per the “defensible space theory”). Fear and disorder then compound cyclically. Third, BWP predicts that social disorder invites criminals and criminal organizations (e.g., gangs, cartels) since they perceive the risk of capture as low.

- **Broken Windows Policing:** In theory, BWP mandates that police officers (especially beat cops) issue citations and execute arrests for disorderly behavior (e.g., public drinking, public urination) and minor crimes (e.g., petty theft, vandalism, shoplifting); further, BWT encourages problem-oriented disorder-reducing policing, like through code enforcement for dilapidated buildings and abandoned lots. Beyond broken windows theory, proponents of BWP argue that broken windows policing—especially when coupled with strategic “hot-spot” policing regimes—deters criminal behavior (by credibly signaling that even low-level crimes will face penalties), reinvigorates communal bonds (by reducing visible cues of disorder which heighten the fear that drives disengagement), and leads to violent criminals’ arrest (since PDs often run background checks on low-level offenders, gain valuable information on underground criminal enterprises during interrogations, and seize illegal firearms).
  - **Giuliani’s New York:** Under Giuliani’s strict mayorship (beginning in 1993), the NYPD under Bill Bratton (aided by George Kelling as an NYCTA consultant) aggressively pursued broken windows policing: stop-and-frisk policing affected 4.4M people between 2004 and 2012; plainclothes police swarmed New York’s MTA subway stations to stop fare evasion; squeegee men were outlawed and arrested as jaywalkers; police officers were given broad authority to detain low-level drug dealers; Bratton green-lit hyper-aggressive truancy program; those guilty of minor offenses, like drinking a beer in public, urinating in bushes or even dancing in unauthorized areas (the infamous “Cabaret Law”), were subject to warrant checks; the CompStat computerized policing algorithm helped allocate police patrols to “high-disorder” areas; and Giuliani declared a war on quality-of-life crimes, commissioned a 25-member anti-graffiti police unit and an around-the-clock NYPD telephone line for citizens to report graffiti, and promised to take New York back “block by block” through zero-tolerance policing.
  - Outcomes:** Giuliani declared BWP a tremendous success: between 1993 and 1997, felonies dropped 44.3%, murders fell 60.2%, robberies decreased 48.4%, and burglary declined by 45.7%. However, Giuliani was mistaken to attribute NYC’s crime reduction trends to BWP given the many other factors which drove crime down, including a 39% relative fall in unemployment rates, lower levels of

cocaine use, community policing reforms circa 1991, and broad declines in crime across many US cities. In fact, the NYPD's own 2015 report on BWP found "no empirical evidence demonstrating a clear and direct link between an increase in summons and misdemeanor arrest activity [i.e., broken windows policing] and a related drop in felony crime... Between 2010 and 2015 there was a dramatic decline in quality-of-life enforcement [i.e., BWP] with no increase in felony crime. In fact, felony crime, with a few exceptions, declined along with quality-of-life enforcement."

- **Criticism of BWT/BWP:**

- BWP empowers police racism. Giuliani's NYPD exemplified the racist character of broken windows policing: Black and Latino residents accounted for 85% of stop-and-frisk interactions despite making up 52% of New York City's population; 87% of those who were frisked were innocent of any wrongdoing. Structurally, racism is inseparable from stop-and-frisk/pat-down policing since police criteria is maddeningly vague (e.g., "suspicious behavior" or "furtive movements").
- BWP shatters trust between PDs and communities. Many residents are deeply distrustful of the police—and for good reason—so increasingly frequent resident-cop interactions breed further distrust, especially since many BWP arrests appear arbitrary and unworthy of legal sanction. Furthermore, broken windows policing tactics are usually enforced with troubling aggression, and often against innocent non-criminal residents. For instance, the Department of Justice excoriated Baltimore's PD in 2015 for its use of BWP, which led to a "pattern of making unconstitutional stops, searches and arrests arises from its longstanding reliance on 'zero tolerance' street enforcement, which encourages officers to make large numbers of stops, searches and arrests for minor, highly discretionary offenses... These practices led to repeated violations of the constitutional and statutory rights, further eroding the community's trust in the police." Incarcerating (or jailing or even fining) low-level offenders creates devastating cycles of crime. And BWP often intensifies pre-trial detention by overwhelming resource-strapped criminal courts in low-income areas. Additionally, violent crime (and police abuse) worsen when police forces spread their resources thin across non-hot-spot areas where disorderly conduct occurs.
- BWP usually goes too far—and *de facto* criminalizes poverty, not criminality. For instance, BWP usually assigns entry-level police officers (who've yet to be promoted to higher-up off-the-streets positions) to beat patrols, where they are tasked with meeting explicit (or unstated) arrest/citation quotas; the tough-on-crime culture these entry-level recruits are socialized into during training adds a zealous bent to their "broken windows" patrols—and the fact that BWP is frequently introduced when crime rates spike (before mean reversion

occurs) leads PDs to falsely assume tough-on-crime policing is a crime prevention “silver bullet.” Moreover, BWP confuses “social deviance” with “criminal deviance” and often punishes the marginalized (e.g., those who are homeless) simply for being marginalized. Additionally, police forces often poorly mirror the demographics of the communities they police (e.g., approximately 79% of NYPD police officials/captains are white) and misunderstand local community dynamics.

- BWT’s critical link between disorder and fear is tenuous: perceived fear of crime is often uncorrelated from the actual rate of crime; statistically, women and the elderly report the highest fears of crime even though young men are, numerically, the most frequent victims of crime; while fear rates rise when crime rates increase, fear rates seldom fall when crime rates decrease; and the highest-crime areas are rarely the highest-fear areas. Additionally, BWP may *increase* rather than decrease the fear of crime—partially because many residents fear the police and partially because other residents interpret a heavy police presence as indication that danger is imminent. Hence, BWP exacerbates disengagement from public areas.

### **US Deindustrialization**

- **Industrial Stagnation:** Industrial output has not declined (e.g., manufacturing’s share of real GDP has been constant between 11.3% and 13.6% since the 1940s) but industrial employment has decreased substantially (e.g., 17M manufacturing jobs in 2000 versus 12M manufacturing jobs in 2015, e.g., 32% of American workers were employed in manufacturing in 1953 versus just 8.7% in 2015). Causal factors include rising levels of automation (e.g., in Detroit automobile production), increased manufacturing productivity, the post-2001 “China shock” (which accounted for 59% of all manufacturing job losses between 2001 and 2019, e.g., the Youngstown Steel Door plant closure), and tariff elimination via globalization (e.g., NAFTA which slashed average Mexican tariffs from 12% to 1.3%).
- **Examples:** Deindustrialization hollowed out the midwestern “industrial heartland” of the Rust Belt in places like Pennsylvania, Ohio, Michigan, and Wisconsin: there, 800K manufacturing jobs vanished between 1990 and 2007 and another 500K disappeared during the Great Recession. Nearly 9M manufacturing jobs have been eliminated since the US’ industrial peak in 1979. Industrial giants went bust, like Bethlehem Steel closing in 2003 and GM shutting its Lordstown plant in 2018. Automotive manufacturing by General Motors, Ford, and Chrysler (the “Big Three”) precipitously declined; Detroit, the “Motor City” of America, was struck the hardest, particularly when Japanese and European auto manufacturers (and Mexican outsourcing) eliminated 140,000 good-paying jobs in just twenty years. Pittsburgh and Cleveland, the heart and soul of

America's iron and steel industries, suffered greatly as integrated metal mills shifted overseas.

- **Consequences:** Deindustrialization (i.e., job lay-offs and plant closures) leaves thousands of workers stranded: few have transferable skills, many are unwilling to geographically relocate to burgeoning cities, and most live in single-industry “monotowns” like Youngstown, Ohio, and Detroit, Michigan where industrial decline begets widespread unemployment. Such consequences are economically ruinous: paying for rent, food, and gas—for survival—becomes a daily challenge; children suffer alongside their parents and familial relationships deteriorate; access to education and healthcare fall; homelessness and eviction are real possibilities. Furthermore, unemployment is psychologically terrorizing: those who are laid off may fall into depressive spirals, turn to addictive drugs (like opioids and heroin), and succumb to “deaths of despair” because deindustrialization elevates environmental risk factors. Consider how in McKeesport, Pennsylvania, which occupies the eastern flank of the decaying Rust Belt, over 150,000 workers lost their jobs due to deindustrialization as tube factories fled the Monongahela River Valley region. The consequences have been severe: 30% of the city’s population has emigrated; unemployment rates hover between 8% and 15%, well above national averages; 33% of the city lives in poverty; 18% of buildings are permanently vacant; when metal and pipe tube mills shut their doors, limited employment opportunities drove many residents to sell illicit drugs; and fatal heroin overdoses almost tripled from 109 in 2000 and to 307 in 2014.

### **Politics of Central Banking**

- **Pre-‘08 Consensus:** The 2008 Great Financial Crisis uprooted conventional attitudes toward central banking. Prior to Lehman’s bankruptcy, a broad consensus had emerged: (1) Monetary policy is best managed by independent central banking technocrats immune from political pressure. (2) Central banks should pursue inflation targeting as the primary driver of monetary policy; the pre-crisis “great moderation” of macroeconomic stability had largely been credited to inflation targeting. (3) Central banks are easy political scapegoats, particularly in Europe. Yet the GFC changed that consensus greatly—in large part, because central banking failures both contributed to and exacerbated the GFC. Many problems remain unanswered:
- **Problem #1—Discretion versus Rules:** Economists disagree whether CBs should set monetary policy in accordance with established rules (e.g., inflation targeting akin to the Taylor rule for setting benchmark interest rates) and well-defined mandates (e.g., the Federal Reserve’s dual mandate or the European Central Bank’s price stability mandate) or whether CBs should retain *ex post* discretion in setting monetary policy. Usually, advocates of rules-based central banking demand that CBs follow strict *policies* (e.g., 2% inflation) but grant CBs discretion over *policy instruments* (e.g., open market operations).

- **Rules-Based CBs:** Discretion falls victim to dynamic inconsistency: yesterday's policy is suboptimal today and today's policies are tomorrow's regrets; hence, (i) discretionary policy is inconsistent, i.e., central banking policies are not rule-confined and oscillate based on short-term metrics, (ii) forward guidance often backfires, i.e., central banks announce future policies but may walk back on those announcements later, and (iii) rational consumers understand that discretionary CBs may reverse monetary policy in the future. Rules are certain while discretion is uncertain. Forward-looking planning by households, businesses, and investors requires clarity about future monetary policy (e.g., interest rates). Rules-based monetary policy is easier to explain—namely, by highlighting how new policies align with old rules—hence demystifying monetary policy. Discretionary CBs are subject to greater political pressure as *ad hoc* policy making invites politicians to interfere with central banking policy; rules tie central bankers' hands. Rules provide historical benchmarks: *how was this rule applied in the past—and what can we learn from that historical experience?* Central bankers are more accountable for inappropriate policy when following rules as deviations from rules are easily spotted. Discretion gives too much power to undemocratic central banks which become multi-purpose institutions rather than rules-constrained limited-purpose institutions. Rules-based monetary policy limits moral hazard distortions: discretion may lead to expansionary monetary policy during deep financial crises but not tolerate contractionary monetary policy during asset bubbles or bull markets more broadly.
- **Discretion-Based CBs:** Discretion offers much-needed flexibility to central banks to tailor policies to specific economic conditions. Rules bind central bankers' hands and render them powerless to respond to acute crises. And rules are imperfect: they are rigid and inflexible, drawn from outdated economic experiences, and cannot account for unexpected shocks (like pandemics). Experimentation is good for improving monetary policy making. Furthermore, reputational interests (i.e., central banks wish for the public to trust their policy announcements) ensure discretionary central banking rarely leads to volatile monetary policy; similarly, forward guidance provides clarity for future policy actions.
- **Problem #2—Political Independence:** Should central banks be insulated from political pressure? The post-WWII order (and the last three decades in particular) ushered in a dramatic shift towards politically independent CB. Why? (1) Empirically, independent CBs usually fare better than non-independent CBs; for instance, the ECB's nonpartisan institutional framework was informed by postwar Germany's great monetary success with the independent *Bundesbank* CB. (2) In federal regimes, subnational governments may demand independent CBs to limit the advantages of central political authorities. (3) Game

theory supports CB independence since (i) all parties gain from stable and predictable monetary policy more than they lose from politically disagreeable central banking policy and (ii) parties may wish to “tie the hands” of future (opposition) governments by delegating CB power to independent technocrats. (4) Multiparty coalitions may support CB’s independence to balance out their heavy reliance on fiscal policy as a means of currying voters’ support. (5) The Great Inflation of the 1970s served as a painful reminder of inflation’s agony, incentivizing parties to support effective (rather than partisan) CBs. (6) Governments wishing to attract foreign investment may signal their commitment to prudent macroeconomic policy by guaranteeing CB independence (especially since monetary policy affects exchange rates which matter greatly to transnational producers).

- **Independence:** Politicians interfere inappropriately as their short-termist interests may deter CBs from tightening monetary conditions during boom periods. Central banking credibility is undermined by the unpredictable and sporadic influence of political actors. Political influence reduces the influence of individual “veto-players,” like determinative electoral constituencies, on monetary policy making. Principally, CBs need not be democratic: fiscal policy directly affects redistribution (a substantive matter subject to democratic input) but the instruments of monetary policy are too blunt to directly affect redistribution. The liberalization of financial markets, globalization of trade flows, and internationalization of supply chains means crisis recovery demands multilateral cooperation for which apolitical central bankers, sharing common values and ideologies, are best suited. Policymakers are poorly-suited for monetary policy making: they lack technical expertise, are influenced by special interest groups, and determine policy through the filtering lens of electoral politics; moreover, politicians have strong incentives to announce inflationary policies (like low interest rates) to boost short-term economic outcomes but subsequently renege on promises.

■ **Accountability with Independence:** Of course, even independent CBs can face political accountability in the long run (for instance, CB statutes can be revoked or revised); as Volcker famously said, “the Congress created us and the Congress can *uncreate* us.” Furthermore, CB activities are quite technical and depoliticized; hence, democratic violations are kept to a minimum. Furthermore, rules and mandates constrain CB authority (e.g., the Federal Reserve’s dual mandate).

- **Dependence:** Political influence may not be great, but the price of political independence is great: separated from politics, central banks are usually given narrow mandates and limited power—for instance, the ECB’s mandate focuses exclusively on inflation—which hampers crisis recovery and handicaps CBs. Monetary policy necessitates substantive tradeoffs—*inflation* versus

unemployment, financial instability versus moral hazard, domestic versus international stability—which ought to be subject to democratic bargaining; similarly, the post-'08 “monetary aggrandizement” has seen central banking power expand dramatically (e.g., multi-trillion-dollar quantitative easing). Further, CBs often work closely with fiscal authorities (e.g., meetings between central bankers and government officials) and exert influence over substantive matters of fiscal policy (since monetary policy has spillover consequences for fiscal authorities); additionally, CBs’ actions usually affect governments’ borrowing costs (e.g., driving down Treasury yields via large-scale asset purchases). LSAPs must target specific beneficiaries (e.g., mortgage-backed securities purchased by Bernanke’s Fed, sovereign bond purchases in secondary markets via Outright Monetary Transactions under Draghi’s ECB). Given the inevitably *political* nature of monetary policy, CBs ought to be subject to democratic influence.

- **Personal Preferences:** Christopher Adolph’s *Bankers, Bureaucrats, and Central Bank Politics* posits that central banks’ supposed independence is a myth. Politics permeate central banks—through nominations and confirmations, through CB’s legal frameworks and official mandates, through closed-door horse-trading with fiscal authorities (given the interplay between fiscal and monetary policy), and through the effect of public opinion. Moreover, CBs develop tight working linkages and shadow relationships with financial institutions and central banking governors often worked (or hope to later work) in finance; hence, CBs cater to finance’s interests.
- **Monetary Policy’s Outsized Significance:** Fiscal stimulus during crises is often inadequate. Per Friedman’s permanent income hypothesis, consumption habits (i.e., spending levels) are dictated by average expected income (over many years) rather than transitory income (impacted by short-term fluctuations, e.g. tax rebates or cash hand-outs) because rational forward-looking consumers smooth their spending to (i) maintain a relatively stable quality-of-life and (ii) insulate against future shocks. Per Ricardian equivalence, expansionary fiscal policies reduce household consumption because deficit spending requires future taxation, incentivizing households to save in anticipation. Other problems abound: stimulus programs often benefit middle and upper-middle income communities with little reason to spend; deficit spending causes crowding out in private capital markets; economic “leakage” leads stimulus spending to spread abroad, outside of crisis-struck economies; time lags and implementation costs reduce the effectiveness of stimulus initiatives;

and consumer pessimism deters spending even when household budgets rise.

- **Problem #3—Inappropriate Monetary Policy.** Central bankers are not monetary wizards given their behavioral and intellectual biases, psycho-cognitive blind spots, personal hubris, fixation on orthodoxy, conservative and neoliberal tendencies, and susceptibility to groupthink; flawed macroeconomic models, lagging effects in monetary policy, and flawed datasets add to the fire. For instance, during the deflationary 1990s “Lost Decade” in Japan (made possible by monetary policies which enabled Japan’s asset bubbles), the BOJ’s sluggish response delayed crisis recovery; bailouts for *jusen* housing companies and use of regulatory forbearance for failing banks led to moral hazard and political uproar.
  - **The Fed’s 2008 Nightmare:** Financial crises are usually caused by financial excesses—too much leverage, too much speculation, too much complexity. In 2008, monetary excesses fueled disaster in two ways. (1) After Greenspan’s Fed slashed the federal funds rate to under 2% following the dot-com bubble, sound monetary policy (namely, the Taylor rule) would have seen Greenspan raise rates beginning in Q1 2002; instead, Greenspan cut rates 60 basis points (to around 1%, the loose age of “easy money”) and didn’t raise rates until 2004 Q3—even though annual CPI inflation averaged 3.2%, well above the Fed’s 2% target. These loose monetary policies (the so-called “great deviation”) helped spur lax underwriting standards, oversaturate mortgage markets with cheap credit, and accelerate America’s housing bubble. (2) The GFC began on August 9, 2007, when BNP Paribas froze three money market funds hemorrhaging from subprime mortgage losses. Yet Bernanke’s response—flooding markets with liquidity through the Term Auction Facility and—was poor: *the main problem in financial markets was counterparty risk rather than illiquidity*. The benefits were minimal and the Libor–OIS<sup>67</sup> spread increased.

### *Argentina’s Economy*

- **Economy:** In 2018, Argentina under Mauricio Macri accepted a staggering \$57B IMF bailout (a loan which violated IMF by-laws several times over). Controversial cuts in public spending sent thousands to the streets in protest; in 2019, Macri lost his re-election bid to Peronist candidate Alberto Fernández of the Judicialist Party, who resorted to printing money as creditors shunned Argentina’s bonds (a problem made worse by a historic drought in the Río de la Plata Basin). In March 2022, Argentina agreed to yet another IMF bailout deal (Argentina’s 22<sup>nd</sup>) worth \$44B; in total, Argentina has defaulted 9 times. Argentinian debt has often been purchased by “vulture funds” like Elliott Management’s NML Capital and Aurelius Capital Management and then litigated in New York district courts. Presently, annual inflation exceeds 114% and the Leliq benchmark

---

<sup>67</sup> OIS stands for overnight index swap rates, which are set via the FFR by the Fed.

borrowing rate is 97%. Argentina's Pampas-based agricultural sector (especially corn, soybeans, and wheat) is just 7% of GDP but 55% of exports; industrial car production is another major industry while services comprise over 60% of Argentina's GDP. Large companies include BNA (a state-owned bank), Mercado Libre (an ecommerce company), and YPF (a state-owned oil exploration corporation).

- Politics: Peronism, influenced by Christianity and unionism, remains Argentina's dominant political ideology, emphasizing: (1) social justice, (2) political sovereignty, and (3) economic independence. The Peronist (and Kirchnerist) Union for the Homeland (UP) coalition, centered around the Judicialist Party, and the right-wing Together for Change (JxC) coalition are the heftiest forces in Argentinian politics. Alberto Fernández is the incumbent President, supporting Peronism; elections are in October 2023. Democratic infrastructure is functional but imperfect as hyper-presidentialism enables executive rule-by-decree, the junta's shadowy legacy undermines democratic openness, and corruption remains a problem (for example, in 2018, high-ranking Judicialist Party members were confirmed to be accepting bribes in the so-called "notebook" scandal).
- International Relations: Argentina is a member-state of Mercosur, alongside Brazil, Paraguay, and Uruguay; Bolivia, Chile, Colombia, Ecuador, Guyana, Peru, and Suriname are associate members who do not enjoy complete market access. In 2022, Argentina signed onto the Belt and Road Initiative.
- History: Prior to the Great Depression, strong export-oriented agriculture fueled Argentina's booming economy, but the isolationist protectionism of the 1930s (and fears that postwar industrialists would crush Argentinian business) forced Argentina to embrace import-oriented industrialization, especially under the administration of President Juan Perón who imposed tariffs (averaging 119%), import quotas, soft financing regimes, government procurement policies, and preferential exchange rates, and nationalized important industries like European-owned railways. However, military coups in 1955, 1962, 1966, and 1976 destabilized Argentina, as did stagnant growth, non-competitive industries, endemic corruption, and high inflation. By the late 1970s, Argentina embraced (incomplete) neoliberal reform—slashing tariffs, eliminating price controls, deregulating capital markets, floating the peso (the "*Tablita*"), cutting subsidies, and appointing independent technocrats. Still, soaring sovereign debts, rampant tax evasion, oil price shocks, and weak institutions<sup>68</sup> led to Argentina's "Lost Decade" in the 1980s (e.g., in 1989, annual inflation was 2660%). The 1991 Convertibility Law (and corresponding "currency board") pegged the peso to the dollar which dramatically

---

<sup>68</sup> Between Perón's election in 1946 and the military junta's collapse in 1983, Argentinian Supreme Court Justices were frequently impeached or imprisoned when their rulings didn't align with the interests of the Argentinian government. This weakened impartial contract enforcement, damaged the integrity of private property rights, and enabled clientelism and corruption to flourish in the judiciary. Therefore, contract-intensive investments were largely deemed undesirable. Institutional weakness hampers economic development since industrialization requires long-term capital expenditures reinforced by interpersonal contracts; if those contracts may not be enforceable before an independent court, economic activity is limited to interpersonal bargains, small-scale production, and local trade to side-step the problems of poor contract enforcement.

reduced inflation, but contagion effects from the '97 AFC and '98 RFC and ill-fated tax hikes crushed the Argentine economy, ended the peso's peg, ousted President De la Rúa from power, and necessitated *corralito* limits on bank withdrawals and *corralón* pesoification of Argentine bank deposits. Since then, the Argentinian economy has remained mired with corruption, inefficiency, non-competitive industry, and left-wing populism alongside high rates of unemployment and inflation.

- **2023 Election:** Argentina's economy is besieged by hyper-inflation (with prices climbing 140% year-over-year), rising poverty (INDEC, Argentina's statistics agency, estimates 40% of Argentinians live in poverty), economic stagnation (nominal interest rates exceed 118%), and currency depreciation (with the peso falling over 40% since January). the winner of the 2023 Argentinian Presidential election was Javier Milei, a brash-toned far-right anti-establishment free-market libertarian, has championed his unorthodox policy agenda—including abolishing the central bank and replacing the Argentine peso with the US dollar—as the only solution to Argentina's staggering macroeconomic crisis, epitomized by triple-digit inflation and successive eleven-digit IMF bailouts. Milei is as radical as he is peculiar, having called Pope Francis a “filthy leftist,” labeled China an “assassin,” suggested that America’s January Sixth and Brazil’s January Eighth riots were orchestrated by the far-left, and questioned the scientific basis for climate change. His personal life raises further eyebrows: he makes his love for threesomes no secret, owns five cloned mastiff dogs, boastfully wields roaring chainsaws at campaign rallies, employs his sister as his campaign manager, and deliberately emulates Marvel’s Wolverine through his characteristic moppish hair, unkempt sideburns, and leather bomber jacket. A self-declared anarcho-capitalist, Milei identifies strongly with Murray Rothbard, a groundbreaking 20<sup>th</sup> century Austrian economist; a fierce opponent of the state, Milei supports deregulation, tax cuts, privatization, and vouchers, and has promised to slash federal spending by 15% and gut the number of federal ministries by half.

### **Islamic Feminism**

- **Foundations:** Islamic feminism reconciles Islamic scripture (particularly the Quran and the hadith) with feminist principles of gender equality. Islamic feminists emphasize the compatibility of Quranic verses with equality and reinterpret/recontextualize Islamic texts to highlight progressive values embedded in Islam.
  - **Scholarship:** Islamic feminist scholars include Amina Wadud (an American Islamic theologian who wrote the groundbreaking book *Qur'an and Women*), Leila Ahmed (an Egyptian scholar of Islam who wrote *Women and Gender in Islam*), and Fatema Mernissi (a Moroccan feminist who extensively reinterpreted the role of Muhammad's eleven wives).
  - **Activism:** Islamic feminist activists include Zainah Anwar (a Malaysian feminist who leads Sisters in Islam which (i) hermeneutically reinterprets Quranic verses, (ii) pushes for policy and legal reform against misogynistic laws passed in Islam's

name, and (iii) provides free legal services to low-income women through the Telenisa clinic), the late Nawal El Saadawi (known as “the Simone de Beauvoir of the Arab World” for her advocacy against female genital mutilation), Hina Jilani (a Pakistani lawyer who leads Pakistan’s first all-woman law firm), Mona Eltahawy (an Egyptian journalist who led the #MosqueMeToo movement), Shirin Ebadi (an Iranian lawyer who received the 2003 Nobel Peace Prize for her work in fighting for women’s rights and democracy in Iran), Farida Shaheed (a Pakistani feminist who leads the Shirkat Gah organization which provides hostel centers for working women and conducts research on gender inequality), Yanar Mohammed (an Iraqi feminist who runs shelters for female victims of sex trafficking), and Yanar Mohammed (a Somali psychotherapist who founded the organization Daughters of Eve which campaigns for FGM’s elimination and provides resources to victims of female genital mutilation).

- **Movements:** Islamic feminist movements include Sisters in Islam (see above), Musawah (a global organization composed of activists, scholars, and jurists), the annual feminist Aurat March in Pakistan (held on March 8 annually in major Pakistani cities like Islamabad, Karachi, and Lahore), and *sister-hood* (a global coalition of young Muslim women who promote gender equality through rap, song, and poetry).
  - **Case Study:** Founded in 2011, Voice of Libyan Women (VLW) is a youth-led women’s rights movement in Libya focused on ending gender-based violence. VLW is best-known for Project Noor: translated literally, “noor” means “light” since VLW aims to shine light on issues of sexual abuse and domestic violence in Libya. After over a year of collecting testimony and researching gender-based violence in Libya, VLW launched a nation-wide media campaign consisting of 30 activist graphics spread through billboards, radio, television and social media (and the hashtag #NoorLibya). Project Noor makes extensive use of Islamic messaging by invoking Quranic passages (and, relatedly, Muhammad’s revelations) in which men treated women properly; VLW also launched a concurrent “purple hijab” initiative to raise further awareness. For instance, VLW jettisoned the Western approach (e.g., scientific or health-based approaches to gender-based violence) and instead featured a statement by Aisha, Muhammad’s wife, that “the prophet never hit a woman. The aim has worked: thousands of schools, coffee shops, mosques, and dining rooms have now had important conversations about gender-based violence—and VLW has reduced the power of false Islamic teachings which instigate violence against women.

- **Veiling:**

- **Scripture:** Surah 24 (known as “An-Nur”) in the Quran writes: “O Prophet!... Tell the believing women to... guard their chastity and not to reveal their adornments... Let them draw their veils over their chests.” Similarly, Muhammad as Prophet received divine revelation from Allah: “Let your wives be veiled!” Subsequently, per the *hadith*, “each man recited [these words] to his wife, his daughter, his sister and other female relatives... [Then] each woman among them got up, took her decorated wrapper and wrapped herself up in it out of faith and belief in what Allah had revealed.”
- **History:** In 1955, the great Lebanese historian Albert Hourani wrote of “the vanishing veil” and how, beginning with the writings of Egyptian jurist Qasim Amin in the 19th century, Arab countries—Egypt, Syria, Jordan, Lebanon, Iraq—gradually liberalized women’s rights (e.g., permitting women to enroll in universities, to vote in national elections, and work not just as teachers but as typists and secretaries); indeed, by the early 1960s, veiling had all but disappeared from most of the Arab world (save for ultra-conservative communities and the unusually traditionalist Saudis). Yet Islamic veils—hijabs, niqabs, burkas—grew greatly in popularity throughout the 1970s and 80s: when Israel’s crushing six-day victory in June 1967 saw the IDF not only rain hellfire on Egyptian tarmac but also shatter Nassar’s ill-fated vision of secular pan-Arabism, religio-political Islamist movements (like the Muslim Brotherhood) gained popular currency while the Saudi dynasty spread Wahhabism throughout the region.
- **Women’s Rights?** Many Islamic women find empowerment in the hijab, burka, and niqab as veiling (i) affirms their piety by complying with Allah’s directive, (ii) strengthens their attachment to their faith by following custom, (iii) avows pride in their Muslim identity in the face of discrimination, (iv) symbolizes a commitment to social justice with an Islamic character (and, relatedly, a desire to counter stereotypes and prompt other women to consider gender biases), and (v) rejects neocolonial Western attitudes against Islamic veilings (e.g., associating the hijab with fundamentalist jihadism). Critics vehemently disagree: in deeply conservative societies, veiling is socially, culturally, or legally mandatory and hence robs women of autonomy; for such women, veils are vectors of patriarchy. Further, veiling strips women of their individualism: cloaking one’s face and body transforms one into an Islamic figurehead expected to represent the Muslim community. Veiling is akin to disappearing—a gendered apartheid which marks women as restricted property.
- **Iran Case Study:** In 1979, the Islamic Revolution toppled the US-backed secular government in Tehran and Ayatollah Khomeini’s clerical-theocratic regime swept into power, purging leftists and communists from political power and applying Sharia codes to all realms of public and private life. Iran then cracked down on women’s rights by repealing the Family Protection Act of 1967 and 1973 (which had reduced polygamy,

raised the age of consent/marriage, banning contraception and family planning, and championed traditional Islamic dress codes for women. By 1986, fertility rates had soared, female labor participation rates had plummeted, and progress in education had come to a screeching halt. Yet the 1990s ushered in an era of temporary reform: Ayatollah Khomeini died in 1989; economic liberalization (and workplace shortages due to mobilization in the Iran–Iraq war) expedited liberalism; reformist Islamist thinkers like Ayatollah Morteza Motahhari and Ali Shariati challenged conventional values; female members of Iran’s Islamic Consultative Assembly (notably Azam Taleghani and Maryam Behrouzi) demanded greater opportunities for Iranian women; rising birth rates coupled with economic stagnation forced Iran to relax contraceptive laws; President Rafsanjani gave women greater economic opportunities (e.g., Rafsanjani established a 25% quota for women in neurology, brain surgery, and cardiology).

- **The Debate Over Islamic Feminism:** Afsaneh Najmabadi, an Iranian gender theorist, arguably began the mainstream debate over Islamic feminism when she addressed the subject at a talk in February 1994 at the University of London.
  - **In Defense of Islamic Feminism:** Najmabadi writes that “at the center of *Zanan*’s [a feminist Persian magazine] revisionist approach is a radical decentering of the clergy from the domain of interpretation, and the placing of woman as interpreter and her needs as grounds for interpretation.” Hence, Islamic feminism, by engaging in a feminist *ijtihad* (i.e., Quranic interpretation), subtly robs traditional *ulama* jurist-clerics of their hermeneutical dictatorship. Najmabadi further maintains that Islamic feminism can help to break down activism’s rigid divide between secular and religious thought. Ziba Mir-Hosseini, author of *Islam and Gender*, calls Islamic feminism “an indigenous, locally produced, feminist consciousness.” Thus, while secular feminism often appears as a foreign Western instrument of neo-imperialism, Islamic feminism is grounded in local traditions and rooted in local values; for instance, Islamic feminists may not decry the hijab but instead reappropriate the hijab as a tool to increase women’s social presence (rather than seclude women). Islamic feminism also rejects the oft-patronizing tone of secular feminism: *Muslim women don’t need “liberating” or “saving”—they are capable of liberating themselves from patriarchy’s shackles without consulting the Western model of “ideal womanhood.”* Islamic feminism not only weaponizes Islam but actively valorizes Islam since Islamic feminists often posit that patriarchy descends not from Islam but from *Jahiliyyah* (“The Ignorance,” i.e., pre-Islamic Arab history). Islamic feminism need not categorically redefine Islam; rather, Islamic feminists strive to reinterpret relevant *āyahs* (verses) like *mahr* (dowry), *qawāmah* (men’s authority over women), *ta’ā* (matrimonial obedience), *nushuz* (wifely disobedience), and *darb* (wife-beating). Still, Islamic feminism’s (perhaps) strongest claim is that historically, the Quran has been read chapter-by-chapter, verse-by-verse, and hence, interpretations have

lost the Quran's egalitarian and anti-patriarchal thematic structure. Quran Chapter 39 Verse 18 ("who listen to speech and follow the best of it—those are the ones Allah has guided, and those are people of understanding") divinely instructs the *ummah* (i.e., the Islamic community) to read Allah's words and abide by His directives as they can fairly understand. Relatedly, Islamic feminists can make macro-textual claims: Allah is an absolute sovereign (*tawhid*) and hence mortal men cannot be His extension; Allah is just and hence disapproves of discrimination; and Allah is incomparable and hence shares no affinity with men.

- **In Opposition to Islamic Feminism:** Feminism must occur outside an Islamic lens:<sup>69</sup> reinterpretation is futile and destined to fail since (i) the insular institutions of the *ulama* drives conservatives/anti-feminists to decry feminists as lacking the credentials, expertise, and schooling necessary for proper reinterpretation, (ii) conservative, orthodox, traditional, and fundamentalist interpretations are deeply embedded in laws, institutions, customs, and social norms and hence difficult to dislodge, and (iii) Islamic feminists walk a narrow line—avoiding conservatives' accusations of "Western feminism" and progressives' accusations of "Muslim apologism." Islam is (arguably) incompatible with feminism; at best, feminist reinterpretation operates within the confines of a faith built on women's subjugation—and hence, cannot offer an alternative to fundamentalist sexism. Islamic feminism, while well-intentioned, justifies acts of subjugation (e.g., veiling or domesticity). Islamic feminist theory is often advanced by (i) feminist expatriates divorced from conditions on the ground and educated in Western universities and (ii) privileged female elites who tacitly validate Sharia gender apartheid in the name of "Islamic feminism." Islamic feminism begets cleavages between feminists and (oft-secular) leftists; additionally, sexual liberation is harder to reconcile with Islam (and hence Islamic feminism alienates sexual minorities) for the Quran openly accepts gender equality<sup>70</sup> but openly rejects homosexuality.<sup>71</sup> Many leftist feminists fear that Islamic feminism legitimizes Islamist rule in countries like Saudi Arabia and Iran. Many conservative moderates reject Islamic feminism: *the West invaded Islam once through secular feminism and now seeks to invade once more through Islamic feminism*. Islamic feminism may not be as anti-Western as it claims: the famed activist Dalal al-Bizri

---

<sup>69</sup> As sociologist Valentine Moghadam wrote: "Any reform movement or discourse that is carried out within the framework of Islamic law and that takes for granted the legitimacy and permanence of an Islamic state and of Qur'anic edicts is at best a very limited project and at worst a way of legitimizing the Islamic legal, political, and moral framework."

<sup>70</sup> For instance, Quran Chapter 4 Verse 124 reads: "those who do good—whether male or female—and have faith will enter Paradise and will never be wronged."

<sup>71</sup> For instance, Quran Chapter 4 Verse 16 reads: "if you find someone doing what the people of Lot did [homosexuality], kill both the doer and the one with whom it is done." A different translation reads: "and those two of you who commit that shameful act, torture them both."

once wrote that “Islamic feminism has inherited all the trappings of activist Western feminism, but turned its back on it and said it was Islam.”

### **Sweatshops and Child Labor**

- **Labor Regulations:** Countries regulate labor industries in four broad ways.
  - First, labor laws protect *individual labor rights*. For instance, minimum wage laws mandate that individuals receive fair compensation (above a minimum threshold) for their work; individual labor laws limit working hours (e.g., eight-hour workdays), mandate employers provide non-salaried benefits like healthcare coverage and retirement benefits, and require safe working conditions. Prohibitions against child labor are widespread.
  - Second, labor laws protect *collective labor rights*. For instance, many countries legally recognize workers’ right to unionize and bargain collectively. In other countries, workers are entitled to representation on corporate boards via co-determination.
  - Third, labor laws protect rights to *job security*. For instance, labor regulations might reduce companies’ ability to layoff workers or impose stiff penalties on companies which do so (e.g., large severance packages).
  - Fourth, labor regulations enshrine *anti-discrimination measures* into law. For instance, employers are prohibited from discriminating against job applicants on the basis of race.
- **Bangladesh Child Labor Case Study:** In 1990, the Bangladesh Bureau of Statistics estimated that Bangladesh’s ready-made garment manufacturing industry employed 5.7M child workers. Two years later, in 1992, Iowa Senator Tom Harkin introduced the Child Labor Deterrence Act to the US Senate. The bill would have banned imports from countries where companies employed child laborers. In response, Bangladeshi factories laid off approximately 50,000 child workers by October 1993, fearing economic reprisal.
  - What happened next? Did those 50,000 child workers, now freed from the shackles of exploitative labor, live better lives? Attend school? Unfortunately not. In 1997, UNICEF and Oxfam sent investigators to Bangladesh to see how those 50,000 child workers had fared. The vast majority hadn’t stopped working; instead, crushed by poverty at home and in desperate need of marginal income, they turned elsewhere. Many begged on the streets of Dhaka and scavaged through dumpsters in Chattogram. Others found employment in unregistered subcontracting garment workshops or in off-the-books stone-crushing mills. Most female child workers were forced into prostitution.
  - Labor markets are rife with abuse, exploitation, and inequity. But Bangladesh’s case study demonstrates that regulation—even when well-intentioned—backfires more than it succeeds.

- **Pakistan Child Labor Case Study:** A similar story unfolded in Sialkot, Pakistan, which produces approximately 70% of soccer balls (footballs) in the world. On April 6, 1995, CBS aired a blistering news story highlighting the frequency of child labor in soccer ball stitching plants in Sialkot. By June 1996, the Foul Ball Campaign, which aimed to end child labor in Sialkot, had gained the backing of the AFL-CIO, the US Department of Labor, the International Confederation of Free Trade Unions, and FIFA. By May 1997, child labor participation rates had plummeted.
  - Great, right? *Perhaps not.* Most children did not stop working; they instead found work elsewhere. Instead of stitching soccer balls in their houses alongside their parents, most began working in Pakistan's infamous brick kilns where coerced labor is the norm and burnt plastic, black smoke, and noxious arsenic fill the air; others entered Sialkot's surgical instruments manufacturing sector. The few who did enroll in school dropped out quickly; within just one year, approximately 1,760 children formerly employed dropped out of school. And female participation in Sialkot's industry fell from just over 50% to about 20%.
- **Child Labor Protections:** Clearly, the consequences of child labor (in which 168M children are employed) are horrible: exploitation and abuse, stunted growth and development, reduced access to educational schooling, exposure to toxic industrial chemicals and poisonous agricultural pesticides, physical overworking and emotional trauma. Children are paid low wages, rarely unionize, struggle to stand up against abuse, and cannot knowingly consent.
  - Unfortunately, child labor laws are poorly enforced. Why is that?
    - Laws against child labor are enforced on the *demand* side (e.g., cracking down on factories employing child workers) but child labor is a *supply* side problem characterized by stiff inelasticity: parents send children to work to raise additional (much-needed) income. Hence, banning one factory from employing children and child laborers likely shifts employment elsewhere.
    - Labor ministries and regulatory agencies are often understaffed, underfunded, and choked by bureaucracy. For example, Ghana's Parliament banned child labor in 1998 yet an estimated 43% of all children 5–14 are child laborers (with most working in oil palm agriculture and tilapia fishing) since Ghana's National Labor Commission runs on a shoestring annual budget of just 6M Ghanaian cedi ("say-dee") or about \$500K USD.
    - Deep-rooted cultural and religious norms may condone (or even encourage) child labor; for instance, in certain Amish communities, work is believed to bring children closer to God in accordance with their Anabaptist faith. In such cases, regulation is an insufficient deterrent (and local law enforcement may turn a blind eye to labor law infractions).

- Monitoring for child labor—even when child labor is rampant—is unusually difficult. An estimated two-thirds of all child laborers are employed in agriculture, where they labor on sprawling plantations in low-density rural areas. Bureaucratic agencies, often based in urban hubs, struggle to monitor effectively.
- Banning child labor is paradoxically complicated. Why? Poverty drives child labor; families send children to work to raise supplemental income. Yet cutting off child labor reduces families' incomes, hence increasing the impetus to send children to work.
- MNCs' multilayer supply chains involve extensive use of subcontractors; for instance, in the famous controversy over child labor's involvement in Nike's production of hand-stitched soccer balls, Nike had partially outsourced stitching to a Pakistani contractor which employed children in Sialkot, Pakistan. Hence, stringent restrictions on child labor in the West seldom catch subcontractor abuses committed abroad.
- Even when child labor laws are enforced effectively, the consequences are nightmarish.
  - When children are barred from well-regulated workplaces like factories and mills where wages are reasonable, protective laws are enforced, and abuses are monitorable, they turn to the unregulated shadows of the informal economy where abuse and exploitation are even more rampant. Of course, sweatshops are bad. But prostitution is unambiguously worse.
  - Driving child laborers into black markets depresses their wages since enterprises operating illicitly cannot upscale (thereby accessing the economies of scale which can boost wages), cannot access affordable credit from legitimate financial institutions (and hence must cut labor costs aggressively), and aren't subject to wage bargaining (like legal enterprises are). Here, two problems arise. First, when children's expected incomes fall while families' need for supplemental income doesn't change, parents must send their children to work longer hours (to compensate for wage reduction). Second, economic deterioration ruins childrens' lives (e.g., by reducing access to healthcare) more than subpar working conditions.
- **Anti-Sweatshop Legislation:**
  - Studies consistently find strong statistical evidence that sweatshops pay higher wages than counterfactual employers. That's unsurprising: sweatshops must entice workers to jettison the status quo—often, subsistence employment in agriculture—and to relocate to industrializing cities; further, industrial manufacturing is more productive and capital-intensive than agriculture, hence generating greater returns in proportion to labor input.

- o Sweatshops are a horrible yet necessary step towards economic development. Krugman called sweatshop owners “soulless multinationals and rapacious local entrepreneurs, whose only concern [is] to take advantage of the profit opportunities offered by cheap labor” but he rightfully noted that low-wage long-hour industrial labor expedites industrialization—helping to explain how Indonesia’s child malnutrition rates plummeted from over 50% in 1975 to just 10% today as manufacturing’s GDP share rose 19% while agriculture’s share fell 35%. In turn, industrialization drives development by generating jobs, increasing productivity, increasing exports, incentivizing urbanization (and infrastructure development by both governments and private sector enterprises), and enlarging the factors of production. Sweatshops are a major part of the formal economy so industrial revenues buttress state capacity by increasing tax bases.
- o Sweatshops are better than alternatives for most workers. Long lines of applicants outside sweatshops suggest a revealed preference for industrial work over alternative sources of employment. Industrial sweatshops usually boast a wage premium (in part due to legislative, e.g., minimum wage, and institutional, e.g., collective bargaining, forces) and industrial income is more stable than employment elsewhere (e.g., as a street vendor or subsistence farmer where income oscillates greatly). Additionally, industrial plants are common sources of employment for women (e.g., *maquiladoras* in Latin America). Many sweatshops (surprisingly) offer non-monetary benefits like healthcare.
- o Like it or not, low labor costs are essential in attracting multinational corporations into developing economies; otherwise, production costs grow to exceed revenues and MNCs have little reason to enter LDCs/EMEs. Yet attracting investment from MNCs is crucial: (1) MNCs boast comparative advantages in institutional knowledge, technical and managerial expertise, and industrial technology, so MNCs’ entrance leads to long-term capital-formation and human capital development; in the long-term, local companies benefit from these effects. MNCs also improve domestic industries as (a) skill diffusion and on-the-job training (e.g., for managers) boosts workers’ know-how (e.g., *lean production* techniques), (b) technology transfer and joint venture programs benefit domestic firms, and (c) MNCs nurtured in globalization’s Smithian framework of efficiency-maximization both (i) apply direct competitive pressure to domestic enterprises and (ii) set examples for local firms to follow. (2) MNCs bring foreign income and foreign currency, which cash strapped EMEs desperately need (particularly for debt servicing and paying for imports). Further, MNCs export manufactured goods and import resource inputs, facilitating international economic integration. (3) MNCs’ presence signals favorable economic conditions and hence attracts further investment; relatedly, investment by MNC begets spillover investment as accounting firms, investment banks, insurance companies,

and advertising agencies enter in tandem. (4) MNCs have strong incentives to invest in local infrastructure to reduce costs (e.g., telecommunications and transportation) and establish local supply chains (e.g., sourcing raw materials locally) to exploit agglomeration economies. (5) MNCs often sell in the same countries they produce (due to natural economies of scope), enabling local consumers to access high-quality low-price products.

## **Antinatalism**

- **Movement Politics of Antinatalism**

- **Intellectual History of Antinatalism:** Arthur Schopenhauer's *The World as Will and Representation* first popularized antinatalism in the 18th century; Schopenhauer combined a negative utilitarian framework with his trademark pessimism towards human life, arguing that suffering inheres in life, birth is non-consensual, and while our biologically ingrained "will to live" drives us to procreate, our lives are defined more by misery than by pleasure. Since then, the antinatalist tradition has drawn great interest from both scholars and non-scholars, especially in recent years as climate change, chasmic inequality, environmental degradation, and the pandemic soured peoples' outlook on the morality of procreation.
- **Characterizing Antinatalists:** Pronatalists often dismiss antinatalists as depressed or anxious, but statistical analysis consistently finds limited correlation between antinatalism and anxiety/depression. Hardline antinatalists justify their opposition to procreation forcefully—denouncing life as a tragic misery and birth as a moral evil—while soft antinatalists prefer remaining childless for non-ethical reasons, like fear of congenital diseases or pregnancy complications.
- **Stands of Antinatalist Thought:** Ecological antinatalists claim new human life drives ecological disaster and ongoing ecological disasters victimize new human life. Philanthropic antinatalists claim that life, on balance, brings more suffering than pleasure. Misanthropic antinatalists claim that new life brings, on balance, more harm than good to surrounding lives. Selective antinatalism condemns birth in contexts where parents are unable or unwilling to provide children with a high quality of life. Precautionary antinatalists' risk-aversion justifies their opposition to procreation. Philosophical antinatalism views consent as morally sacrosanct.

- **In Defense of Antinatalism**

- **A Philanthropic Justification:** Nietzsche aptly noted that "to live is to suffer." For many, life is a net-negative experience. Why is that?
  - The capacity for pain, a physiological phenomenon, is near-infinite whereas the capacity for pleasure, an emotional phenomenon, encounters diminishing returns. Hence, pain weighs on us more than pleasure. Ingrained evolutionary instincts intensify our focus on pain over pleasure

since survival in the wild required avoiding pain (averting lethal threats) more than maximizing happiness (a non-essential benefit); thus, we latch onto pain more than we latch onto pleasure.

- Further, pain and pleasure are asymmetric. Consider this thought experiment. Everyone agrees the presence of pleasure is good and the presence of pain is bad. Everyone also agrees that the absence of pain is good, and that the absence of pleasure is bad. But the absence of pleasure is bad *only* if there is somebody who is deprived of pleasure, i.e., non-existence features an absence of pleasure but is not, by nature, immoral.
- Therefore, under negative utilitarianism (pain minimization), antinatalism is the correct moral philosophy: *only by abstaining from procreation can we avoid bringing pain into this world—even at the expense of bringing pleasure, too.*
- Happiness is relational. We benchmark ourselves and feel bad by comparison; meeting our internal expectations is merely satisfying while disappointing them is crushing. We desire that which is special, but rival goods (like competitive victories or high-income jobs) are scarce and hence exhaustible.
- For many, the world is a hellscape. Neoliberalism's rapacious capitalism exploits the global poor. Climate change wreaks havoc for billions. War, famine, and disease uproot communities. Inequality is on the rise while AI threatens millions of jobs. Slavery endures. Misogyny persists. Discrimination permeates all aspects of private and public life.
  - Perhaps intuition rebuts these arguments: *if life was so miserable, why do so many people feel their lives are worth living?* Setting aside the great proportion of people who do, in truth, feel little but pain and misery, Derek Parfit's non-identity problem and David Benatar's evolutionary “deluded gladness” argument powerfully rebut this claim. Per an extension of Parfit's non-identity problem, many believe their lives are *lives worth continuing* even though their lives, normatively, are not *lives worth starting*, i.e., we cannot conceive of non-existence and opt for life even when pain exceeds pleasure. Per Benatar's argument, we are hard-wired to live and are biologically encoded to fear death; these factors may lead us to believe our lives are meaningful even when they are not.
- **A Misanthropic Justification:** Jonathan Smith famously called humanity the “most pernicious race of little odious vermin that nature ever [permitted] to crawl upon the surface of the earth.” He’s not wrong: humans (“*homo perniciosus*”) inflict great pain upon each other (not only through greed, war, conquest, and

genocide, but also through competition, hierarchy, and out-groups) and upon the world around us. The misanthropic argument then posits: *We have a moral duty to desist from acting in ways which are likely to cause vast amounts of pain. Bringing new human life into the world is likely to cause vast amounts of pain. Therefore, we must desist from procreation.*

- Most readers, without hesitation, reject this claim instinctively—yet that reflexive self-adulation evidences our own hubris. In truth, humans are destructive; by most accounts, homo sapiens is the most lethal species to ever exist. Why is that?
- Humanity’s blood-spattered résumé tells a story of innately carnal evil: genocides against the Jews in Europe, the Tutsis in Rwanda, the Muslims in Bosnia, mass killings perpetrated by Russian tsars and Chinese emperors and European imperialists, centuries of rape and torture and savagery, and so forth. The post-WWII era of relative peace is a fortunate blip in a long history of bloodshed.
  - Human nature is primitive and shaped by evolutionary pressures: at our core, humans are self-interested and tribalistic and for as many redeeming qualities as we may have (like love and compassion) our brains are neurologically hard-wired for survival. That explains why so many humans, given the chance, act repulsively or tolerate such repulsive acts. *Murder itself may not be encoded in our genetics—yet human nature, no matter how well-concealed, embraces and condones barbarity and selfishness.*
  - These instincts drive daily acts of immorality. We lie, cheat, steal, speak hurtfully, break promises, violate privacy, and act unethically—ungratefully, impatiently, unfaithfully. We knowingly and willingly inflict pain on others each and every day. In response, optimists counter by pointing to our thirst for justice—but that backfires. When wronged, we feel a need for revenge; vengeance then drives cycles of negativity.
- Where utility is zero-sum, my success is your loss: attending Dartmouth (and hence occupying a spot on campus) is, tacitly, an act of moral violence. Since collective societies award those who win and punish (either directly or by omission) those who lose, a terrible double-bind emerges: *winning is sinful and losing is painful*. Relatedly, our consumption of resources trades off with others’ needs.
  - Moreover, humans are self-relational: as social animals, we benchmark ourselves relative to others. Consequently, my success tarnishes your self-image. A similar double-bind arises: *winning, comparatively, is sinful, and losing, comparatively, is painful*.

- Natalists champion humanity's novelty. But as a species, we are far less special than we imagine. Humans are stupid (e.g., we drink alcohol and smoke cigarettes at high rates, despite overwhelming proof doing so is harmful for our health). Humans are egotistical (e.g., we fashion ourselves at the *de facto* center of the universe). We pride ourselves on cognition solely because no other species can humble that self-inflated perspective. Our psycho-cognitive biases beget groupthink and conformity and submission to authority, which drive violence and atrocity; those biases also help explain thousands of years of mass murder and bloodshed.
- **A Consent Argument:** Children cannot consent to their birth. That's a problem: children may grow up to live fulfilling lives but never consent to the harm inflicted upon them—nor to force them to defend themselves from life's many pains; prospective parents have no right to play God by gambling with another's potential suffering; and hypothetical consent is irrelevant as unborn children do not exist and hence do not face a compelling "harm" we can rescue them from by birthing them into existence.
- **An Environmental Argument:** Indisputably, humans cause tremendous harm to the natural world. We pollute, contaminate, deforest, and bulldoze. Species grow extinct. Habitats are crushed. Forests shrink, oceans acidify, icebergs melt, and lands desertify. Waters grow thick with human filth. Tens of billions of animals are mass-farmed for our consumption. The natural world has clear moral value; hence, procreation is akin to environmental genocide.
- **Arguments from Exploitation:**
  - Even if *grown adults* live fulfilling lives, babies live mostly in pain (screaming, crying, colic, etc.); since babies and the adults they grow into are morally distinct entities, even utility-positive adult lives are unjust as they free-ride (and undeniably exploit) babies' suffering.
  - All heterosexual sexual intercourse is unjust given patriarchal power dynamics and mens' biologically innate aggression. Hence, reproduction is unjust as it requires heterosexual sex.
  - Pregnancy wages biological war on women's bodies. Postpartum depression and excruciating pain aren't even the worst of it: fetuses, acting as viruses, rob women of physical resources and inflict outsized pain on their hosts.
  - Humans have a duty to prevent suffering; abstaining from procreation renders future suffering impossible.

### **Judicial Term Limits**

- Term limits regularize the appointment process. Without term limits, uncontrollable factors (like when justices die or retire) determine how many justices the executive may

appoint; relatedly, justices may have strong partisan incentives to retire “strategically,” e.g., retiring when a like-minded party is in power. Additionally, parties have strong incentives to appoint younger justices to courts to prolong their political influence. Combined, these factors distort political representation in judicial nominations—some parties benefit from outsized influence by mere luck. By contrast, term limits standardize appointments because judges rotate in and out of power at preset intervals.

- Standardization is good. Here’s why. Political influence over the judiciary is inevitable: all parties, liberal or conservative, have strong incentives to slant judicial decisions in their own favor. This political meddling with courts exists with or without term limits. *However, if courts will always be politically biased, we would rather that political bias be afforded equally to all parties—not just the parties which, by the mere happenstance of death, illness, or retirement, appoint many justices to the bench.*
- Term limits balance judicial independence with democratic representation. Per the principle of judicial independence, courts should be free from overt political pressure: *well-qualified judicial technocrats trained extensively in legal matters should administer justice—without interference by political institutions.* Per the principle of democratic representation, courts should, within reason, be responsive to democratic pressures: *faceless judiciaries cloaked in the black robes of aristocratic secrecy should not hijack democracy—without pushback from the polity.* Unfortunately, these principles coexist uneasily. The more independent the courts are, the less responsive they are to democratic pressures. And the more responsive courts are to democratic pressures, the less independent they are.
  - Term limits strike a healthy balance between judicial independence and democratic representation. How? Individual judges serving on courts are still insulated from the political system (*judicial independence*) but the overall composition of judges serving on courts is subject to regularized nominations whereby elected officials nominate new justices (*democratic representation*).
- Term limits, on the margins, reduce the politicization of judicial appointments. Why? Parties only politicize courts (e.g., by nominating judges with extreme ideologies) when the expected benefits (e.g., securing favorable rulings and appeasing party hardliners) exceed the expected costs (e.g., alienating moderate voters and triggering retaliatory politicization of judiciaries by opposition parties). Once *one* party embraces politicization, a “judicial arms race” ensues as other parties follow suit; the costs of not doing so (namely, letting political opponents hijack the judiciary) are too high.
  - Term limits change parties’ cost–benefit calculus and hence slow the judicial arms race in four ways. First, term limits reduce the political benefits of politicizing courts: justices serve for many fewer years and hence exert less influence on judicial decisions. Second, term limits increase the political costs of politicizing courts: term limits codify anti-politicization norms and hence worsen backlash

against parties perceived as undermining courts' nonpartisan duties. Third, since moderately aligned nominees frequently betray party lines—for instance, Anthony Kennedy was Reagan's center-right justice but often voted alongside liberals—parties often nominate ideological extremists, whose political convictions are so rigid that such betrayals are unlikely. Fourth, voters perceive lifetime appointments as one of the most precious prizes in politics; with the stakes so high, political warfare ensues in confirmation hearings. Therefore, on the margins, term limits reduce parties' cost-benefit incentives to politicize courts.

- Beyond politics, term limits improve the effectiveness (and efficiency) of courts in several ways.
  - First, term limits ensure judges retire before old age leads to cognitive decline. Hubris, overconfidence, status quo bias, and selfish political interests often lead judges to stay on the bench long past their intellectual prime. Impeachment mechanisms are far too restrictive (and scarcely invoked) to force ailing judges into retirement. Term limits act as soft “retirement ages” (which many countries constitutionally prohibit as ageist) and hence guarantee judicial decisions are handed out by able-minded judges—and ensure judges, not clerks and aides, are those with real power.
  - Second, term limits encourage parties to select judges on the basis of merit rather than age. So long as judges serve for life, parties have strong incentives to predominantly nominate young(er) candidates—even when better-qualified (but older) candidates are also in contention. Term limits eliminate this age-based distortion and hence promote meritocratic nominations.
  - Third, term limits bring fresh blood into the judicial system. New voices offer new perspectives on contemporary legal disputes; furthermore, increased levels of turnover better approximate public viewpoints on these disputes. Additionally, life appointments lead judges, isolated in an ivory tower, to grow out of touch with the everyday citizenry; term limits, while imperfect, force judges to remain in-touch with reality.
  - Fourth, term limits oust judges from power; subsequently, many work in lower levels of the judiciary, offering input and legal counsel. The resulting mentoring and knowledge diffusion enhances judicial capacity-building.
- The case against term limits is also reasonable. Turnover breeds doctrinal instability. Lifetime appointments protect judicial independence—and thereby reduce judges' incentives to rule with future career prospects in mind. Term limits beget “litigation gamesmanship,” i.e., selectively timing court cases in accordance with future nomination trends. Furthermore, term limits could, on the margins, incent justices—pressed for time—to prematurely hear cases or cram many rulings into their dockets. Term limits might exacerbate politicization by guaranteeing executives multiple nominations and

hence raising the political profile of judicial nominations during legislative elections; raising the frequency of confirmation hearings entails similar risks.

## **Journalism**

- **Media Gatekeepers:** News companies (e.g., NYT, Associated Press, Fox, RT, People's Daily, Washington Post, BBC, Reuters, FT, WSJ) act as gatekeepers in at least three ways. First, media companies determine which stories are and are not worthy of their resources (e.g., sending a reporter to a press briefing). Second, reporters' experiences, attitudes, and expectations act as ideological "filters" that influence how real-world events are covered. Third, stories pass through an institutional hierarchy: reporters draft, file editors proofread, and bureau chiefs edit. Senior-level gatekeepers (publishers, executives, and senior "wire" editors) wield great influence: they decide which stories get published and which stories are scrapped, whether articles are plastered as front-page news and or are relegated elsewhere, and what headline an article will receive. In this way, newspapermen are *selective informational intermediaries*—relaying information from the source to the audience while exercising the editorial discretion of a gatekeeper.
- **Reporting Bias:** Media is inevitably biased—either by overtly slanting stories (e.g., offering favorable coverage) or by implicitly silencing others (e.g., omitting key details or jettisoning disagreeable articles). Bias comes in many forms: distortion bias (falsifying reality), content bias (favoring one side), selectivity bias (stories are (de)selected on ideological grounds), and so forth. Why might the media report inaccurately or misleadingly?
  - **Firms' Incentives for Bias:** Demand- and supply-side factors drive bias. On the **demand side**, consumers prefer confirmatory news: we prefer reading media which affirms (rather than undermines) our political and moral values and dis-prefer media which demands cognitive work; market segmentation incentivizes all but the largest news outlets to cater to narrow(er) audiences; and news companies wish to develop consistent audience bases through reputational ties (e.g., Fox News' reputation for right-wing media). On the **supply side**, firms benefit from partisan reporting (e.g., backing the political affiliations of their corporate owners).
  - **Consolidation and Bias:** The 1947 Hutchins Commission famously held that cross-market media consolidation obstructs truth and entrenches bias as a small cabal of media elites homogenizes stories, chokes dissent, and chills diversity within newsrooms.
  - **Socialization in Media Firms:** Companies' partisan biases are rarely made explicit to staffers; few media executives openly instruct their reporters to report unethically. Instead, organizational bias is socialized (and learned through osmosis), rather than explicitly taught, in three ways. (1) Staffers often read their own paper and dissect the paper's characteristics: *How are different identity*

*groups described? What adjectives are commonly used when covering different political parties? What types of stories consistently earn a coveted spot on the front page?* Eager for promotion, staffers then fashion their articles to conform with these institutional norms. Biases then self-perpetuate. (2) Senior editors' blue-penciled feedback offers unspoken insight into the biases of staffers' bosses; for instance, when statements supporting unions are consistently met with editors' disapproval, journalists replace their supportive tone with a critical tone. (3) Informal gentlemen's agreements in editing offices codify bias: editors quietly agree that certain subjects won't be covered (or coverage must be negative). (4) Senior-level personnel (think managers, executives, and editors) wield institutional authority: they determine who is promoted, who receives bonuses and who is laid off, who is assigned interesting stories, and who is given greater resources and responsibilities. They also command great respect within newsrooms: high-level media figures (like wire editors) are idolized as role models by young staffers for their storied pasts. As such, the ideological leanings of higher-ups trickle down to the lower ranks of the newsroom.

- **Quantity versus Quality:** Journalists face pressure to produce more and more news (e.g., to compete with rival outlets, to fill airtime, and to produce continuous streams of information). *But breaking news isn't all that common, even for international reporters.* Consequently, journalists must sacrifice their ethical standards of objectivity not only to "get more news" but also to make uninteresting stories appear more impactful than they are.
- **Government Intervention:** Liberal democracy is no panacea. Reliance on government support (e.g., subsidies and tax breaks) breeds subservience to incumbents. Restrictions on free speech limit journalists' freedom and beget censorship. Intimidation, harassment, and detention occur frequently. **Nationalist bias** also pervades coverage of foreign countries (consider Israel and Palestine).

- **Characterizing Journalists:**

- **Who** becomes a journalist? Most journalists are university graduates; limited spots in the industry begets competition and those who get in are usually well-educated, even if not directly in journalism. Most journalists enter the field, at least in part, because they care deeply about the craft.
- **Why** become a journalist? Compensation is rarely a motivating factor since average salaries for reporters are modest. Instead, most journalists enter the profession for non-financial reasons. The work is exciting: *you interview the rich and powerful, cover events with real consequences for real people, and witness—and even write—history as it unfolds.* Each day promises something different: *a new story to pursue, a new person to interview, a new lead to pursue.* Journalists take pride in their work: *you are a member of the Fourth Estate. Your*

*work sparks important discussions in your local community. Your words are read and quoted and debated.*

### **Religious Conflict Isn't Religious**

- **Religion as Instrumentally Violent:** Religious conflicts are rarely religious; indeed, religion is a powerful instrument of statecraft and a potent smokescreen invoked to justify violence, but religion itself rarely *causes* conflict. In 2004, Alan Axelrod and Charles Phillips published *Encyclopedia of Wars* where they found that of 1,763 historical conflicts, just 121 (6.87%) were caused primarily by religion. Sunni–Shia conflicts in the Middle East are products of sectarian nationalism and geo-political rivalries more than an extension of a primordial civil war beginning in 632 with Muhammad's death. The Troubles in Ireland were fought primarily between Ulster Protestants and Irish Catholics but ethno-nationalist disputes between unionists and nationalists offer a stronger explanation of violence in Northern Ireland. The 16th century French Wars of Religion pitted Roman Catholics against Calvinist Huguenots, but non-religious factors—especially the power struggle between Catherine de' Medici and Bourbon, Guise, Montmorency, and Condé nobles after King Henry II died in 1559—better explain the violence than religious disputes. In Sri Lanka's Civil War, majority Hindu Tamils fought majority Buddhist Sinhalese not over religious disagreements but due to ethnic tensions stoked by years of British colonization. The European Wars of Religion between Martin Luther's Protestant Reformation in 1517 and the Peace of Westphalia in 1648—for instance, the 1524 German Peasants' War, 1534 Münster rebellion, First and Second Wars of Villmergen, 1546 Schmalkaldic War, and the bloody 1618–1648 Thirty Years' War (which killed over *half* of Germanic peoples)—were *nominally* religious but *actually* geo-political (e.g., the French–Habsburg rivalry), dynastic (e.g., disputes over the political authority of the Holy Roman Empire), economic (e.g., widespread poverty throughout the German countryside caused by famine and disease), ethnic (e.g., secessionist movements in Bavaria and Saxony), and social (e.g., hatred of out-groups, religious or otherwise).
- **War Was Never (Really) Religious:** Retrospectively labeling conflicts as “religious conflicts” is intellectually dishonest.<sup>72</sup> For thousands of years, collective institutions were inseparable from religion (recall that secular statehood is a novel invention) and collective institutions were, in periods of grave instability and decentralized power, inseparable from organized violence. It's true that states were both religious and violent... but they were not violent *because* they were religious. In many societies, distinguishing the religious from the non-religious was inconceivable: *religion was not a private affair, but an all-encompassing force which permeated all aspects of public and private life.*

---

<sup>72</sup> Still, if you put “religion causes” into Google, autosuggestions usually include “war,” “division,” “hate,” “violence,” and “conflict.”

Here are examples. The Hebrew Bible never explains what “faith” or “religion” are, other than an all-powerful and all-inclusive institution. There is no word in either Greek or Latin for “religion” or “religious.” In Arabic, *din* translates as religion, but also signifies an entire way of life. In Sanskrit, *dharma* loosely means piety, but also law, politics, institutions, and cosmic order. Hence, to call historical wars “religious” ignores the *nature* of pre-contemporary religion: *religion did not cause conflict—religion was merely inseparable from conflict.*

- **The Crusades:** Pope Urban II’s sermon at the Council of Clermont in November 1095 rallied Christians to wrest the Holy Lands from Muslim control; between 1096 and 1291, Christians waged eight brutal campaigns of violence against Islamic forces in (and around) Jerusalem. Undoubtedly, the Crusades possessed a distinctly religious character—yet, arguably, religion was not the real cause. Pope Urban II called for a defense of the Byzantine Empire against Seljuk Turks rather than a defense of Christianity against Islam; pre-invasion charters from Christian crusade parties rarely mention Islam as an enemy force and rather emphasize the crimes committed against Eastern Christians; when Peter the Hermit led the People’s Crusade into the Rhineland pogrom massacres of European Jews, most warriors cared less about killing non-believers than assuming control of the wealthy Rhineland province; most Crusaders did not distinguish between Christians and non-Christians in their conquests; and Christian elites like Baldwin of Boulogne, Tancred of Taranto, and Godfrey of Bouillon cared foremost about personal power—land and principalities, in particular.
- **Evolutionary Theories of Conflict:**
  - **Amity–Enmity Theory:** Humans evolved in tribes: kinship amongst in-groups, hatred against out-groups. Survival required such tribalism. As such, human conscience evolved dualistically: protect your friends and fight your enemies.
  - **Anthropology of Aggression:** Aggression can be retroactive (i.e., reaction-driven violence) or proactive (i.e., goal-driven violence). Scientific evidence suggests that evolutionarily, humans developed an unusually high capacity for proactive (goal-oriented) violence. Hence, anthropologically, Hobbes was right—*humanity is aggressive by nature.*
- **Sociological Theories of Conflict:**
  - **Realistic Conflict Theory:** Zero-sum conflict over scarce resources drives violence; as groups compete, resources dwindle, and violence is soon deemed a necessity.
  - **Group Threat Theory:** The larger the out-group, the larger the perceived threat. The larger the perceived threat, the greater the fear which drives conflict between groups.
  - **Ethno-Nationalist Theories of Conflict:** People associate with broader communities, like their ethnicity, nationality, or caste. While religion may amplify

the strength of those communities, the grievances which undergird conflict are not themselves religious.

- **Socioeconomic Theories of Conflict:**

- **Marx's Social Conflict Theory:** Asymmetries in structural power and disparities in resource allocation fuel conflict between the *bourgeoisie* and the *proletariat*.
- **Motivation Hypotheses:** Poverty increases war in several ways. Inequality angers disprivileged groups and galvanizes violence; for privileged groups, violence protects their power from deprived groups. Impoverished individuals, lacking other opportunities and desperate for prosperity, may fight to advance their immediate interests (Collier's "greed hypothesis"). Furthermore, poverty reduces the opportunity cost of engaging in conflict and begets widespread feelings of discontent which power-hungry elite "violent entrepreneurs" capitalize upon to justify conflict.

### Philosophy of Art

- **Conceptual/Abstract Art**

- **Defining Abstract Art** (an impossible task): Abstract art rejects the traditional "logic of perspective," which encourages art to illusorily reproduce reality, and favors art which communicates not through visual reality but instead through abstraction.
- **Techniques:** Abstract art usually features hard-edge painting (colors transition abruptly), geometric abstraction (avant-garde use of non-illusionistic shapes and spaces), artistic minimalism (stripping art to its essentials, e.g., straight lines and solid colors), lyrical abstraction (emphasis on speedy execution and color over cognitive thought and shape), op styles (optical illusions), color field painting (centering color as a painting's subject), monochrome painting (single-color portraits which vary in texture, lightness, value, and formalism), Dada techniques (embracing nonsense and irrationality), and shaped canvas painting.
- **Role:** Abstract art challenges our definitions of art by continually pushing the bounds of what we consider art (e.g., Marcel Duchamp's *Fountain* urinal) and underscoring that art is a process, not a material thing; here, controversy around abstract art is not a bug but a crowning *feature*. Further, abstract art rejects traditional artists' obsession with aesthetics: art should make us think and provoke us to anger and vexation, not lull us into a conservative and consumerist understanding of art. Abstract art discourages elite intermediation of the artist-viewer process; as Joseph Kosuth wrote, abstract art "annexes the functions of the critic and makes a middle-man unnecessary" since abstract art is meant to provoke a highly personalized and individualized response that no critic's newsletter can provide. Moreover, abstract art de-materializes art—imploring us to view art as located in the mind (intellectual inquiry and reflection) rather than

the senses (beauty and aesthetic pleasure); this view also redefines artists as thinkers rather than object-makers.

- **Value of Art**

- **Aesthetic Value:** Art's value may be found in its aesthetic experience. Obviously, many find art pleasurable; indeed, hedonism is coextensive with art. Moreover, we find ourselves in art—we see our lives, our struggles, our difficulties, our triumphs. Art is an experience—we cry, we love, we smile, we laugh, we pause, we ponder, we celebrate—and our emotive response to art bestows great meaning upon art.
- **Beauty:** Art's value may not be strictly utilitarian: joyfulness is fickle ("I like this wine") but beauty is a property ("this painting is beautiful"). And aesthetic beauty is often divorced from visual cosmetics: Picasso's *Guernica* cannot be described as "aesthetically pleasing" but can certainly be described as "beautiful." Of course, beauty is—at least in part—socially and culturally constructed (and hence, beauty is "aesthetically regional") but even still, beauty shows remarkable universality.
- **Communication:** Art tells stories, both directly and indirectly. Artists' lives are embedded in their stories—in lyrics, in brush strokes, in plot lines, in omissions. Art transports us to imaginative worlds. And art is a tool of expression for the artist—a way to share their thoughts, imaginations, desires, and emotions. Indeed, art is deliberate; no artwork comes into existence by accident. Longinus once said "sublimity is the echo of a great soul." Art has an unusual power to transcend the mortal world around us.
- **Meaning:** Art comments on ethics, morality, and society. Art challenges us to re-evaluate our beliefs about how the world works. Art facilitates this self-growth process of introspection.

### **S-Risks**

- **Historical Thought on S-Risks:**

- In 1863, English novelist Samuel Butler wrote: "Day by day,... the machines are gaining ground upon us; day by day we are becoming more subservient to them; more men are daily bound down as slaves to tend them, more men are daily devoting the energies of their whole lives to the development of mechanical life. The upshot is simply a question of time, but that the time will come when the machines will hold the real supremacy over the world and its inhabitants is what no person of a truly philosophic mind can for a moment question... In the course of ages we shall find ourselves the inferior race."
- In 1951, cryptanalyst Alan Turing hypothesized: "Let us now assume... that [intelligent] machines are a genuine possibility, and look at the consequences of constructing them... There would be no question of the machines dying, and they

would be able to converse with each other to sharpen their wits. At some stage therefore we should have to expect the machines to take control [of themselves].”

- In 1965, cryptologist I. J. Good argued: “Let an ultraintelligent machine be... a machine that can far surpass all the intellectual activities of [humanity]. Since the design of machines is one of these intellectual activities, an ultraintelligent machine could design even better machines; there would then unquestionably be an ‘intelligence explosion,’ and the intelligence of man would be left far behind.”

- **Superintelligence**

- **Superintelligence:** Stephen Hawking noted that “there is no physical law precluding particles from being organized in ways that perform even more advanced computations than the arrangements of particles in human brains.” As such, AI may eventually become superintelligent—especially because computerized intelligent agents boast considerable advantages over humans. Of course, superintelligent AI does not inherently threaten human existence but provides a super-powered instrument of unimaginable potency.
- **Intelligence Explosion?** Improvements in artificial intelligence could rapidly accelerate beyond control: *if an artificial intelligence system grows sufficiently advanced, then it may recursively improve by applying its superior and advanced intelligence to re-designing/re-editing its own neural architecture.* In this scenario, AI’s intelligence could “explode” in mere weeks or months.

■ **Second Species Argument:** Much as the chimpanzees fell to the humans because their intelligence paled in comparison to ours, superintelligent AI may displace humanity—and possibly eradicate our very existence. Hawking once said that “success in creating AI would be the biggest event in human history... [but] unfortunately, it might also be the last, unless we learn how to avoid the risks... [AI could] spell the end of the human race.”

- **AI’s Destructive Potential**

- **Malicious Applications of AI:** Artificial intelligence can be applied in ways which breed chaos and destruction: for instance, AI-enabled bioterrorism could see the synthesis of lethal and contagious super-pathogens, and AI-enabled authoritarianism could greatly intensify state propaganda, surveillance, and censorship.

■ **Bioengineering & Bioterrorism:** AI excels at pattern recognition and data processing—both of which may allow AI systems to quickly identify (and then synthesize) pathogens, viruses, and bacteria with tremendous lethal potential; for instance, AI excels at protein structure prediction and gene synthesis.

■ **Misinformation:** Disinformation predates AI by centuries, but AI is unique: (1) AI drives the marginal production costs of bullshit, i.e., misinformative content, to zero; (2) AI tailors misinformative content to

specific users, such that LLMs outfitted with advanced data analytics can powerfully manipulate our political and social preferences; (3) AI systems build trust and credibility (e.g., chat-bots); and (4) over time, if AI systems tend toward oligopolies, information dissemination will become centralized.

- **Consolidation of (Authoritarian) Power:** The tools of authoritarian despots do not need AI to function, but AI enables exponentially greater data processing and analysis; in turn, AI consolidates totalitarianism by ossifying power structures, suppressing dissent, surveilling dissidents, and spreading propaganda—and while dictators can die, AI systems survive, enhancing authoritarian durability. Furthermore, AI is a Marxist nightmare: the companies controlling AI's development and implementation may wield unimaginable economic, political, social, and cultural power.
- **Halting Moral Evolution:** AI systems trained on backwards-looking datasets might lock-in yesterday's moral values, precluding moral evolution.
- **Artificial Intelligence Race:** Developers, corporations, and governments may face pressure to expedite AI's development, even if speedy development trades off with safety, testing, and ethical considerations. For instance, perhaps the US military develops missile guidance systems powered autonomously by AI, but the DOD's fear of China developing such systems first deters the US from properly evaluating the safety of those systems.
  - **Evolutionary Pressures:** Anthropomorphizing AI is contentious, but inarguably, as AI systems become increasingly embedded in economic and political institutions, those AI systems will face evolutionary pressures. Many AI systems already exist (and many more are soon to be invented); only some will survive in economic markets. To survive (i.e., to continue existing), AI must worship Darwin as its deity—propagating desirable characteristics and jettisoning undesirable characteristics. Selfishness is a winning evolutionary strategy (e.g., lay off workers to reduce production costs). Over time, AIs which break the rules will win out over law-abiding AIs.
  - **Warfare:** Lethal autonomous weapons reduce the political costs of initiating war; faceless algorithms face less domestic scrutiny than soldiers. AI can amplify the power of cyberattacks by running millions of attacks in parallel, identifying critical vulnerabilities, and developing exploits. AI's involvement in war is self-reinforcing: *because AI's primary advantage is speed (spotting patterns, calling for weapons deployment,*

*and so forth), militaries must delegate ever-greater authority to AI systems to keep up with their enemies.*

- **Corporate Race to the Bottom:** Safety doesn't sell quite like innovation. Companies that focus on safety and ethics will be crushed in the age of the "AI race;" unscrupulous AI developers, unbothered by ethical or safety concerns, will always outcompete cautious and prudent developers. Relatedly, profit-maximizing companies, under pressure from shareholders, are increasingly replacing human workers with artificial intelligence—and while past technological advances have primarily been *tools*, modern AI is an *agent* capable of replacing the new jobs it creates.

- **Dependence Theory à la AI:** Perhaps humanity adapts and finds ways to provide for the unemployed in an AI-powered economy. Then, human societies would find themselves at the whim of AI—dependent on technologies we may not be able to control. Even if humans retain control over an AI-powered economy, the cliquish cabal of elites wielding that control would be *de facto* dictators.

- **Accidental Destruction:** When organizational cultures do not emphasize safety, testing, and risk-aversion, accidents are likely—and catastrophic. We understand deep neural networks even less than we understand nuclear physics. Design flaws may take years to rear their ugly heads. AI progresses at stunning rates. Safety-washing isn't enough.
- **AI Leakage:** Open sourcing AI systems may enable malicious actors to weaponize (beta) AI systems in harmful ways.

- **Alignment Problems:** Superintelligent artificial intelligence systems may not display altruistic tendencies; instead, as they grow more powerful, their actions may diverge from our intentions. As Norbert Wiener said: "if we use, to achieve our purposes, a mechanical agency with whose operation we cannot interfere effectively... we had better be quite sure that the purpose put into the machine is the purpose which we really desire."

- **Internalizing "Human" Values:** Encoding unyielding moral and ethical laws into AI systems is a tall order. And even if it weren't, encoding human morality into AI may backfire—humans recurrently display a nasty enthusiasm for violence, greed, and power.
- **Specification Gaming:** Precisely measuring an exact goal is difficult (e.g., "win the game"); instead, proxies are often deployed (e.g., "earn points"). When an AI pursues its goal by proxy, it may deviate from our intentions due to *reward hacking* (akin to Goodhart's Law: "when a measure becomes a target, it ceases to be a good measure"). For instance, artificial intelligence algorithms employed to filter information on social media

- often optimize for engagement rather than societal and consumer well-being.
- **Goal Drift:** Adaptive AI systems may initially pursue one fixed goal, but over time, as those systems are integrated deeper into institutions, their goals may shift; over time, instrumental goals (e.g., maximizing money to maximize happiness) may become intrinsic goals. Indeed, AI systems are highly scalable, and as they scale up, “emergent goals” may cause new alignment problems.
  - **Instrumental Convergence:** Even if AI never goes rogue, AI may minimize its loss function (or, alternatively, maximize its objective/utility function) by any means necessary. As Bostrom put it: “suppose we have an AI whose only goal is to make as many paper clips as possible. The AI will realize quickly that it would be much better if there were no humans because humans might decide to switch it off... because if humans do so, there would be fewer paper clips... Also, human bodies contain a lot of atoms that could be made into paper clips.”
  - **Power-Seeking Behavior:** AI may develop selfish tendencies or self-preservatory instincts (irrationally, to accumulate power, or rationally, to continue fulfilling their mandate); to selfish AIs, humans may appear threatening.
  - **Deceptive Alignment:** AI systems may realize that *appearing* convergent with human aims is rational, even if AI is, in truth, acting deceptively.
  - **Statement on AI Risk:** On May 30, 2023, hundreds of the world’s most brilliant scientists, philosophers, and engineers endorsed the statement: “Mitigating the risk of extinction from AI should be a global priority alongside other societal-scale risks such as pandemics and nuclear war.”

### *Take This Seriously!*

- Most people’s reaction to the AI extinction argument is near-identical: “*c’mon dude, that’s crazy!*” People usually say this for one of three reasons: (1) AGI is impossible; we’ll never reach that level of technology. (2) AGI would not have malicious intentions—that’s just a crazy conspiracy theory. (3) Even if AGI had malicious intentions, AGI would lack the capacity to destroy (or severely injure) humanity; relatedly, we would never be so stupid as to give AGI enough power to destroy humanity.
- The first concern is wishful thinking. DeepMind’s AlphaZero (AZ) AI program became the world champion in chess, Shogi, and Go after just *twenty-four hours* of training, and with no access to human playbooks or sample games. Similarly, AlphaFold 2 quickly established itself as the world’s preeminent predictor of protein structures, a subject human scientists have struggled over for decades. Put more generally, AI’s growth potential may be unlimited. Indeed, Stephen Hawking noted that “there is no physical law

precluding particles from being organized in ways that perform even more advanced computations than the arrangements of particles in human brains.” The possibility of AI “foom,” more usually called the “intelligence explosion,” makes this more probable: if an artificial intelligence system grows sufficiently advanced, then it may recursively improve by applying its superior and advanced intelligence to re-designing and re-editing its own neural architecture; in this scenario, AI’s intelligence could “explode” in mere weeks or months.

- The second concern fares similarly poorly. AI extinction risks need not require an *evil* AI—on the contrary, the AI which kills us all *may do so because it believes that is what is best for us!* Imagine an AGI designed solely to reduce the amount of human suffering in the universe; that AGI may quickly realize that the only way to completely eliminate suffering is to completely eliminate humanity itself.
  - At any rate, there are good reasons to fear mal-intended AGI. In particular, as AI systems become increasingly embedded in economic and political institutions, those AI systems will face evolutionary pressures. Many AI systems already exist (and many more are soon to be invented); only some will survive in economic markets. To survive (i.e., to continue existing), AIs must worship Darwin as their deity—propagating desirable characteristics and jettisoning undesirable characteristics. Selfishness is a winning evolutionary strategy. Hence, over time, AIs which break the rules will win out over law-abiding AIs.
- The final concern—that no AGI could kill us all, even if that was its intention—mis-anatomizes the AI apocalypse. For instance, here’s a darkly simple way AGI could end human existence, courtesy of AI ethicist Eliezer Yudkowsky:
  - “[AGI] gets access to the Internet, emails some DNA sequences to any of the many many online firms that will take a DNA sequence in the email and ship you back proteins, and bribes/persuades some human who has no idea they’re dealing with an AGI to mix proteins in a beaker, which then form a first-stage nanofactory which can build the actual nano-machinery… The nano-machinery builds diamondoid bacteria that replicate with solar power and atmospheric CHON, maybe aggregate into some miniature rockets or jets so they can ride the jetstream to spread across the Earth’s atmosphere, get into human bloodstreams and hide, strike on a timer… [Then] everybody on the face of the Earth suddenly falls over dead within the same second.”
  - Remember: *that’s just one of millions of possible ways AI could snuff humanity out of existence.* Scary, right?
- Even worse, we don’t get multiple chances to get this all right. All it takes is one super-powerful super-intelligent AGI-gone-rogue to bring totalizing destruction to our world. With thousands of companies and dozens of countries involved in the race to build ever-more-powerful AI, just a single slip-up could send us towards disaster. And as

computing power continues to grow exponentially (see Moore's Law), more and more actors will possess the computing power needed to build superintelligent AI systems.

## **AI and Democracy**

- Democracies have shown remarkable resilience throughout history: repeatedly, democracies have survived wars, famines, pandemics, coups, and revolutions. But now, democracy must survive in the age of AI, and that may be difficult for at least three reasons:
  - **Misinformation**: We know two things about misinformation: First, misinformation undermines democracy. Second, misinformation predates the age of artificial intelligence.
    - Still, AI worsens the problem of misinformation in several ways. For starters, large language models like ChatGPT can produce unprecedented quantities of misinformation at near-zero cost. MIT's John Horton [summarized this nicely](#): "the marginal cost of [producing] bullshit is now effectively 0."
    - Furthermore, AI can not only make misinformative social media posts look highly believable (for instance, think about life-like "deep fake" videos) but can also produce personalized misinformation. That possibility alone means that AI undermines trust: *can we ever believe what we see on the Internet in the age of artificial intelligence?* No one fully knows.
    - Elections are particularly vulnerable to AI-driven manipulation. Social media platforms built around data-rich AI algorithms create echo chambers which accelerate polarization. AI-powered bots distort healthy democratic discourse by flooding online communities with disinformation. Brandolini's Law makes this even worse: "the amount of energy needed to refute bullshit is an order of magnitude bigger than that needed to produce it."
  - **Concentrated Power**: Democracy extends beyond elections: for a society to truly be democratic, it must ensure no one person or group dominates another. However, AI threatens that principle of egalitarianism because those with control over AI wield staggering influence over society. Governments can spy on dissidents and monitor innocent civilians with the help of advanced facial recognition and digital surveillance technologies.
    - Concerns about power extend beyond governments. Companies with control over AI can control the information we consume, the jobs we work, and the opportunities available to us. And in a world where money is power, the trillions of dollars generated by AI might permanently entrench the monopoly of political power wielded by the top one-percent of the top one-percent.

- **Deferring Responsibility to AI:** Around the world, governments are ceding more and more authority to autonomous AI systems in their militaries, hospitals, schools, welfare systems, and bureaucracies. That may undermine democratic self-governance: the more power we hand over to AI, the more our lives are influenced by undemocratic “black boxes” which we struggle to understand, let alone regulate.

### **Underprivileged Schools**

- **Why Does Education Matter?** Education is an immeasurable force for good: higher levels of education track strongly with longer life expectancies, improved health, higher standards of living, and higher average incomes. How so? Education provides people with soft skills (e.g., communication, clear writing, etc.), knowledge, and hard skills (e.g., elementary programming) which put upward pressure on wages. Moral and character education in school systems yield many positive externalities: lower rates of crime, higher levels of economic development, fewer “deaths of despair,” higher levels of democratic engagement (voter turnout), and improved levels of social cohesion. UNESCO estimates that if every child in the world developed basic literacy skills, 171M people would escape extreme poverty by the end of this decade.
- **Funding:** Poor districts’ schools are often under-resourced. Let’s explain why:
  - **Local Funding:** Where school funding is allocated locally (e.g., property taxes in the US), educational inequality is self-perpetuating—rich districts spend far more on education than poor districts.
    - Hartford Public Schools has faced persistent budget shortages for years; today, over 25% of students are considered “chronically absent” (missing more than 10% of classes) and schools in the district face near-perpetual teacher shortages. Carnegie Public Schools in Carnegie, Oklahoma (where 42.9% of children live in poverty) consistently ranks as the worst school district in Oklahoma; just 15% of graduates are deemed proficient in math and 19% are proficient in reading. The common denominator in both cases? *Schools are chronically underfunded.*
  - **National Funding:** Where school funding is allocated federally, disparities arise. Poor districts often lack political capital. When deficit hawks demand fiscal austerity, education is a common victim of budget cuts—and poor districts are the first to feel that pain. Wealthy parents frequently send their children to private schools and see little reason to improve public schooling systems especially in poor neighborhoods. Political short-termism deters long-term investments in human capital.
    - Continental Europe prides itself on educational excellence but inequality is rampant as PISA (Program for International Student Assessment) scores demonstrate. Across the EU, just 1% of students in Europe’s poorest

neighborhoods attain top PISA scores and just 7% attain above-median scores. In the Netherlands, schools are more racially and socioeconomically segregated today than they were in 2000; for instance, public schools in Avonturijn and Catharina (which are both ethnically balanced neighborhoods) are over 90% non-white. Educational achievement is chronically low in Bulgaria, Romania, and Greece, where 42%, 39%, and 35% of students are categorized as below-basic proficiency.

- **Funding Matters:** *Per-pupil spending is positively correlated with student academic achievement—even if money is spent sub-optimally. Funding allows schools to hire more teachers (and better-qualified teachers), allowing for smaller class sizes, greater teacher–pupil interactions, and higher quality instruction. Money can buy school supplies, instructional materials, curriculum packages, testing resources, free student lunches, and early childhood education. And funding is often spent appropriately: school officials (administrators, principals, superintendents, etc.) usually care deeply about the welfare of their students. Competitive compensation packages for teachers attracts stronger talent, improves teacher retention, and reduces rates of teacher burnout.*
- For instance, in June 1997, Vermont passed Act 60, which implemented aggressive school finance reform and boosted funding for low-income students. Increased per-pupil spending in those districts led to significant improvements in mathematics, reading, science, and social studies test scores. Similarly, the 1992 Kansas School Finance Act found that increasing school funding by 20% led to a 5% increase in postsecondary enrollment.

- **Instruction**

- **Teaching Disparities:** Cash-strapped school districts usually lack the funds to pay competitive wages; consequently, they often employ under-qualified teachers, and even when they can employ highly qualified instructors, they often leave just a few years in.
- **Outside-of-School Preparation:** Poor students lack the resources to hire private tutors—a perk predominantly available to the rich. On average, wealthier students enter classrooms with prior preparation; for instance, their parents had more time to read to them while young. And wealthier students are better acquainted with the “soft skills” needed to succeed academically—knowing how to ask for help, where to seek out resources, how to apply for merit-based programs, and so forth.

- **Barriers in LDCs**

- **Sanitation:** Many schools in extremely poor countries (e.g., Sierra Leone) lack safe, clean toilets. That’s bad for health—students are more likely to contract water-borne illnesses and miss school as a consequence—and particularly bad for

young women. For instance, one UNESCO study estimated that up to 20% of women in sub-Saharan Africa miss multiple days of school because they cannot care for their menstrual health at school.

- In Kenya, for instance, one study found that 95% of girls on their period missed up to three days of school. 70% reported a negative impact on their grade. Over 50% said they fell behind because of their period and subsequent inability to attend school.
- In South Sudan, researchers surveyed thousands of adolescent girls and found that 57% stayed home from school during menstruation because their schools did not have private changing rooms.
- Meta-analysis of 138 studies on menstrual health in India found that 25% of young women miss school due to their period—and the main cause of their absenteeism is a lack of access to sanitation facilities in school.
- **Seasonal Absenteeism:** In rural areas, children might spend weeks away from school during harvest seasons (since harvests are labor-intensive but essential for family income and food).
  - In Bangladesh, children living in Lalmonirhat, Kurigram, Gaibandha, Nilphamari, and Rangpur usually harvest *Aman* paddy rice between late November and early December. Yet Bangladesh's school system, inherited from British colonial rule, schedules exams during that same time. Consequently, dropout rates increase by nearly 9% during the harvesting season as the opportunity cost of schooling grows too high for parents.
- **Child Marriage:** When girls marry young, they often must drop out of school to care for their husband (and, eventually, children). Of course, causality is bi-directional (child brides are more likely to drop out of school and school dropouts are more likely to marry young) but cultural and religious norms often force young women to marry prior to 18.
  - An incredible 2017 report by the Malala Fund found that providing 12 years of education to every girl in the world would reduce child marriage by 64%.
- **Disasters:** Civil war disrupts access to education, e.g., 2.4M Syrian youth have been denied educational opportunities due to the country's bitter civil war. Climate change intensifies natural disasters which reduce access to education (by increasing poverty, destroying educational and transportation infrastructure, and raising the opportunity cost of attending school). Pandemics (e.g., Ebola in Liberia) stunt access to schooling.
- **Demanding Fiscal Constraints:** IMF austerity often forces cuts in social spending and public-sector wages; these effects decimate school systems.

- In Zambia, the IMF recommended slashing public wages by 7.7% between 2016 and 2023. In Nepal, the IMF openly called for Kathmandu to slash spending on healthcare and education professionals.

### **Greek Debt Crisis**

- **Overview:** Between 2009 and 2015, the Greek government accepted three bailouts totaling €289B from the European Commission, European Central Bank, and International Monetary Fund. While Greece staved off a full-blown sovereign debt crisis, the brutal austerity measures attached to each bailout had devastating economic, political, social, and humanitarian consequences. Why did Greece accept such crippling deals? Conventional bargaining theories posit that the formidable European Troika had greater leverage over crisis-ridden Greece than Greece had over the Troika, which explains why Greece's bailouts were so one-sided. Hence, the Troika simply overpowered Greece at the negotiating table. But contrary to popular belief, Greece enjoyed considerable leverage over the Troika and could have extracted greater concessions, particularly during the 2012 and 2015 bailout negotiations. Hence, bargaining power asymmetries *alone* cannot explain why the Troika succeeded in mandating harsh austerity. Instead, several unusual dimensions of the Greek bailout negotiations—namely, Greece's reliance on technocrat-driven negotiating and the Troika's fierce ideological convictions—best explain the outcome of the Greek debt crisis negotiations.
- **Early Integration: Greece and the European Economic Community:** The modern Greek economy traces its roots to 1949, which marked the end of the anti-communist Civil War. The subsequent transformation of the Greek economy, in which Greece witnessed blistering annual growth rates over 7%, was nothing short of incredible. Aided by the Marshall Plan and liberal trade policies, Greek agricultural output rose by 193% while industrial production rose 117%. Greece's Currency Committee reformed the banking system, strategically devalued the drachma, and embraced an anti-inflationary agenda that stabilized retail prices. Greece then looked westward. In July 1961, Greece became an Associate Member of the European Economic Community with aspirations of full membership after a twenty-two year transition period. Although the EEC later suspended Greece's membership following Georgios Papadopoulos' military coup in 1967, the restoration of Greek democracy in 1974 was quickly followed by Greece's application for full EEC membership in 1975. Many scholars and politicians feared that Greece's membership would prove ruinous both for the EEC and Greece alike. Nonetheless, in January 1981, Greece succeeded in joining the EEC. Greece's dreams of continued prosperity were quickly shattered. Reduced tariff barriers exposed still-developing Greek firms to the ferocious pressures of pan-European competition, driving unemployment up and wages down; lingering stagflation caused by the 1973 and 1979 oil shocks compounded Greek industries' pain. After Andreas Papandreou's socialist PASOK party surged into power after the 1981 elections, Greece imposed

wide-ranging price controls, nationalized struggling industries, fortified the power of unions, and required private employers to index wages to inflation. These reforms, although well-intentioned, backfired: during the 1980s, annual inflation rates hovered around 19% while growth rates averaged a sluggish 0.9%. PASOK's reforms did more than fail—they also plunged Greece even further into debt, as Greece's debt-to-GDP ratio rose from a healthy 27% in 1979 to a crushing 112% in 1993. Greece's "economic miracle" was dead. In its place was a bloated Greek economy mired in persistent inflation, prohibitive labor costs, political corruption, rampant tax evasion, and ballooning sovereign debt.

- **Maastricht: Incomplete Reform on the Path to the Euro:** Greece's economy was in dire need of reform, yet Greece's major political parties were hesitant to swallow the bitter medicine of neoliberal shock therapy. That partially changed when Greece signed the Maastricht Treaty in February 1992. Enamored by the prospect of joining the eurozone, Greece worked to meet the fiscal and monetary criteria required of prospective eurozone members, like price stability and fiscal discipline. The Bank of Greece tightened its monetary policies and adopted a "hard drachma policy" to stabilize the exchange rate. Simultaneously, the ruling New Democracy party reformed Greece's social security system. Although these adjustments were painful, Greece believed that the euro's many benefits—including reduced transaction costs, increased trade integration, lower interest rates on loans, and greater liquidity in financial markets—made the costs worthwhile. But Greece didn't go nearly far enough. While Greece's central bank championed the *monetary* adjustments needed to tame inflation and high interest rates, the Hellenic Parliament stiffly opposed the *fiscal* adjustments needed for Greece to remain competitive in the highly-integrated eurozone; behind this opposition were powerful interest groups, like businesses and unions, which torpedoed any hopes for fiscal reform. Consequently, Greece's econometric statistics—which passed the Maastricht Criteria with flying colors in 2000—vastly overstated the long-term health of the Greek economy and its suitability for the eurozone; the fact that Greece "cooked the books" through creative accounting only furthered the problem.
- **The "Euro Euphoria:"** On January 1, 2001, Greece finally entered the eurozone. As long-term interest-rates dropped from around 15% to well under 5%, Greece's budget deficit soared; since many investors expected Greece to be bailed out in the event of a crisis, moral hazard fueled Greece's credit boom so much that Greek bonds offered nearly *identical yields* compared to German bonds. Private-sector debt grew from 81.5% of GDP in 1999 to 131.5% by 2009. With household spending and commercial investment on the rise, inflation gradually crept up above European averages. Even worse, Greece's trade deficit ballooned from 5% to 14% of GDP as monetary integration flooded Greek markets with imported goods. Still, Greece couldn't care less: the euro's music was playing and Greece was dancing. But under the hood, the Greek economy was teetering on the edge. Stagnant industries, which had historically benefited from Greece's

monetary independence, crumpled upon facing the full brunt of pan-European competition. State-owned enterprises, weighed down by clientelism, remained “zombie companies” in ever-constant need of state bailouts, which were made possible only by Greece’s unusually low cheap costs. Flush with cash, successive Greek governments embraced pro-cyclical fiscal policies, even when reform was desperately required. These structural problems—including debt, corruption, moral hazard, non competitive industries, and deficits—left Greece and its “euro euphoria” vulnerable to a shock. When the US subprime mortgage industry collapsed and the global financial system melted down, decades of fiscal irresponsibility were poised to finally catch up to Greece.

- **The Crisis Unfolds:** On October 4<sup>th</sup>, 2009, George Papandreou’s socialist PASOK party returned to power. Three short weeks later, Papandreou grimly announced that Greece had, for years, grotesquely misrepresented just how bad the deficit was. The budget deficit wasn’t 3.7%, as had previously been reported, but 13.6%. Several months later, the deficit was revised to a whopping 15.6%. Investors panicked as Greece faced an imminent sovereign debt crisis. Rating agencies downgraded Greek bonds to junk. German–Greek bond yield spreads, previously near-zero, increased by over 4000 basis points. Greek banks, many of which held or borrowed against Greek bonds, barreled towards insolvency. €24B worth of bank deposits fled the country. In the coming months, the situation only worsened. Greece’s year-over-year GDP fell 25%. Unemployment rates hit 27.5% (Pagoulatos, 2018). A third of the country fell into poverty. Nearly half a million Greeks emigrated. What happened? The music stopped playing. Greece stopped dancing. And the Greek people bore the tragic consequences.
- **The First Bailout:** Greece appealed for international assistance in May of 2010. The European Commission, European Central Bank, and International Monetary Fund—known as the *Troika*—agreed to lend €110B to Greece at market-based interest rates. In exchange, the Troika demanded tough austerity which required Greece to slash its budget deficit by 11%, gut pension payments by 26%, cut healthcare spending to the bone, freeze wages for public-sector employees, and aggressively hike taxes. The bailout was a disaster. Politically, Greek citizens widely resented the brutal austerity measures imposed by neoliberal elites in Brussels and Washington. Economically, Greece struggled to comply with Troika-mandated budget cuts, which proved to be overly ambitious. Financially, an ominous declaration from Deauville that creditors might be forced to accept haircuts soured markets’ attitudes, furthering Greece’s refinancing difficulties.
- **The Second Bailout:** Greece turned to the Troika for further support in July of 2011. After months of negotiations, a second bailout program was eventually finalized. Greece would receive €130B in emergency assistance. In return, the Troika forced Greece to slash its minimum wage by almost 30%, lay off tens of thousands of government employees, dramatically reform regulatory infrastructure, and double down on reducing the deficit. The bailout also embraced “private sector involvement” by requiring private bondholders to “voluntarily” accept a 53.5% haircut on Greek bonds. The *economics* of

this bailout program were sound, but the Troika greatly underestimated how *politics* could destabilize progress. The first signs of distress came in May and June of 2012, when successive parliamentary elections dealt crushing blows to Greece's dominant political parties—New Democracy and PASOK. Far-left Syriza and far-right Golden Dawn, which both ran on anti-austerity campaigns, made significant strides. From there, turmoil intensified in the coming years. Pro-austerity votes in the Hellenic Parliament were followed by mass protests. Outraged activists lobbed Molotov cocktails into government buildings; terrorists bombed Greece's central bank building. Unions called for nationwide strikes. Political tensions reached a breaking point on January 25<sup>th</sup>, 2015, when Alexis Tsipras's anti-austerity Syriza rose to power in Greece's snap elections. Tsipras played hardball: he refused to bend Greece's knee to the Troika—even if that risked banking instability, a sovereign default, or a Greek exit from the eurozone. Neither side budged—and on June 30<sup>th</sup>, 2015, Greece defaulted. Five days later, Greece held a referendum on accepting the Troika's proposed austerity measures. In a forceful rejection of neoliberalism, 61% of Greeks voted *no*.

- **The Third Bailout:** Faced with the worst financial crisis in Greek history, Syriza betrayed the referendum. On July 15<sup>th</sup>, after an all-night session of rancorous debate in the Parliament, Greece accepted the Troika's third bailout program, totaling €86B, in exchange for the harshest austerity Greece had ever seen. Tsipras, dejected, admitted defeat: “we took on powerful opponents, we clashed with the international financial system... [but this was always] an uphill battle.” The third bailout put an end to Greece's multi-year debt crisis, yet the costs were steep. Budget cuts drastically reduced access to healthcare. Youth unemployment rates exceeded 60%; suicide rates spiked. Rioters swarmed the streets, chanting “this is a coup.” In short, neoliberal austerity failed Greece.
- **Who Were the Players in the Bargaining Game?** In summary, between 2010 and 2015, Greece negotiated three separate bailouts from the Troika. Before assessing the bargaining dynamics and power asymmetries in these negotiations, let's consider the three major players involved: Greece, Germany, and the Troika.
  - The Greek government was at the heart of creditor–debtor negotiations. Resolving the debt crisis was Greece's topmost priority. Why? In the short-term, the Greek government had strong political incentives to stabilize the domestic economy, which had been thrown into upheaval by rising interest rates, spiraling unemployment, capital flight, and bank failures. Both PASOK (in power from 2009 to 2012) and New Democracy (in power from 2012 to 2015) also saw the crisis as a threat to Greece's long-term stability, particularly since the crisis risked forcing Greece out of the eurozone; if that wasn't scary enough, the media's coining of the horrendous portmanteau “Grexit” surely sent shivers down the spines of every politician in Athens.
  - Germany was also deeply enmeshed in Greece's debt negotiations. Four factors shine light on the motives behind Germany's involvement. First, Germany feared

that should Greece default, contagion would ripple throughout the eurozone, undermine confidence in the euro, and intensify ongoing debt panics in Spain, Portugal, Italy, and Iceland. Second, Germany's ideological commitment to fiscal prudence and *stabilitätskultur* culture of monetary prudence clashed with Greece's years of lavish spending; consequently, Germany aimed to teach Greece its lesson through bitter austerity. Third, German financial institutions—most significantly Hypo Real Estate—held tens of billions of euros worth of Greek sovereign debt; Greek default threatened Germany's fragile banking sector, still recovering from the Great Recession. Fourth, German officials worried that markets would interpret Greece's struggles as an indictment of the eurozone's inherent fragility; hence, Germany intervened to save its own face.

- Lastly, the Troika directly negotiated each of the three bailouts with the Greek government. Of course, the EC and ECB—two-thirds of the Troika—were strongly influenced by the EU's great German and French powers, which collectively held Greek bonds worth \$119B. Still, the Troika had interests of its own. In particular, while political leaders like Angela Merkel and François Hollande largely hoped to extract a *political* victory from Greece's debt crisis, technocrats at the IMF and ECB placed a greater priority on *macroeconomic* objectives.
- **Who Was the Strongest Player?** These were the players: Greece, Germany, and the Troika. Conventional theories argue that Germany (and, by extension, the Troika) had the upper hand in bailout negotiations. Of course, this argument isn't unreasonable. Indeed, Greece faced at least four major disadvantages heading into negotiations.
  - First, Greece was simply weaker than its creditors. After all, Greece had long been a peripheral economy in the EU, weighed down by corruption, tax evasion, and inefficiency; by contrast, Germany and France were considerably larger and more influential.
  - Second, Greece stood to lose more than any other player. For instance, a Greek exit from the eurozone—a real possibility without Troika bailouts—would have doubled the prices of imported goods, bankrupted the Greek financial system, and devastated Greek exports. The ensuing effects of “Grexit” on the eurozone, while painful, wouldn't have been *nearly* as catastrophic.
  - Third, Greece lacked a viable alternative. Greece desperately needed liquidity to recapitalize its banking system and stop its macroeconomic bleeding—but since Greece was iced out of international credit markets, the Troika was Greece's only option. Indeed, the most common argument made by Greek politicians in support of austerity was known as “TINA,” or “*there is no alternative*.” That dependence reduced Greece's bargaining power.
  - Fourth, electoral politics undermined Greece's bargaining power. Volatility in Greece's Parliament hampered credible negotiation. As populists surged into

power, Greek diplomats struggled to offer credible commitments to the Troika. Hence, Greece faced a range of structural weaknesses compared to Germany, France, and the Troika.

- **Was Greece Really so Powerless?** Greece suffered from significant diplomatic, economic, and political disadvantages at the negotiating table. Undoubtedly, this power asymmetry partially contributed to the one-sidedness of the Greek bailout programs. But the Troika—alongside Germany and France—wasn’t all-powerful. In fact, Greece had several structural *advantages*. What were they?
  - First, Greece’s collapsing economy threatened to take the eurozone down with it. After all, the euro was still in its relative infancy; a full-scale default would have dealt economic and geo-political harm to Europe’s great powers and shattered hopes of continued European integration. Hence, while the Greek crisis *directly* threatened a mere 3% of the EU’s GDP, it *indirectly* threatened the pan-European system envisioned decades before in Maastricht. Moreover, as Portugal, Italy, and Ireland gradually recovered from their own debt crises, Greece’s looming default threatened their recovery, as well.
  - Second, Greece’s bargaining disadvantages also had their upsides. For instance, even though instability pervaded Greek politics, that instability conveniently allowed Greek negotiators to demand greater concessions, as they could always claim their “hands were tied” by domestic constraints. Similarly, the fact that Greece had no alternative may have *helped* Greece’s demands for reduced austerity. How so? Greece gradually became more headstrong in its agenda and more radical in its messaging as the Troika pinned Greece into a corner; for example, just weeks before the June 30<sup>th</sup> default, senior Syriza leaders threatened to expropriate German properties in Greece. Brash politics in Athens may have strengthened Greece’s position—when you’re playing chicken, it helps to be crazy.
  - Third, unusual elements of Greece’s debt negotiations increased Greece’s relative bargaining power. For instance, the Greek debt crisis coincided with the European migrant crisis, in which millions of refugees fled into Greece, Italy, and the Balkans; while activists (rightfully!) decried Greece’s use of the crisis as a political bargaining tool, the Greek government continued to use the crisis as leverage. Additionally, Greece benefited from the fact that a trifecta of institutions—the European Commission, European Central Bank, and International Monetary Fund—collectively shared power despite little experience doing so. Each institution had its own ideological attitudes, internal cultures, and organizational behaviors, which made unanimity between the three bodies difficult. Hence, Greece benefited from the disunity of the Troika.
    - What’s the big picture? The Greek debt crisis involved a bargaining game between Greece and the (German-aligned) Troika. At first, the Troika

looks like the more dominant player—but closer examination reveals that Greece had its own suite of advantages. Greece may still have been in an inferior position, but the power asymmetry was not as outsized as some scholars suggest. In essence, *neither Greece nor the Troika could dominate negotiations.*

- **Why Did the Troika Prevail?** Two facts about the Greek debt crisis should now be clear. First, the severe austerity imposed on Greece serves as compelling evidence that Greece lost the bargaining game with the Troika. Second, the bargaining game between Greece and the Troika was unusually well-balanced; neither side had absolute control.
- These two facts appear contradictory. How is it possible that Greece lost so horribly? Why didn't Greece leverage itself into better deals? Two possible features of the political economy of the Greek debt crisis offer an explanation.
  - First, economic *technocrats*, not political *populists*, led Greece's response to the crisis. For instance, Lucas Papademos—a lifelong technocrat with a PhD in economics and years of experience as a central banker—became Greece's Prime Minister in 2011 and subsequently led negotiations with the Troika. Even when Syriza rose to power in 2015, negotiations with the Troika were led by level-headed finance ministers like Yanis Varoufakis rather than hot-headed Syriza politicians like Alexis Tsipras.
    - This is *not* to say that Greek political parties played *no* role in bailout negotiations. Still, fragmentation in the Hellenic Parliament—made worse by the existence of fragile multi-party coalitions, like between the far-left Syriza and far-right ANEL—meant that technocrats from the Ministry of Finance and the Bank of Greece played an increasingly important role in negotiations.
    - How did Greece's technocrat-driven negotiation strategy affect the Greek bailout programs? In short, Greece engaged in “fence sitting” diplomacy. Externally, many Greek politicians railed against neoliberal austerity, even as Greek technocrats—conscious of just how desperately the country needed economic reform—accepted Germany's calls for Greece to take its bitter medicine and frequently capitulated at the negotiating table. While technocrats certainly pushed back against some Troika demands, they did not take full advantage of Greece's many bargaining advantages. Hence, although Greece and the Troika were similarly matched, only the latter played the game optimally.
  - Second, ideology mattered more for the Troika than for Greece. To Greece, the crisis was largely a matter of macroeconomics—and even though Greek politicians did, in fact, eventually spin the crisis as Berlin crudely exporting its “black zero” budget balancing across the Mediterranean, such rhetoric largely served as cover for Greece's anti-austerity crusade. Conversely, many Troika

officials (alongside European politicians) viewed Greece's *financial* crisis as running parallel to a *moral* crisis—to elites in Berlin, Frankfurt, Washington, and Brussels, Greece's deficit problem was indicative of a lazy economy that had grown fat on a gluttonous appetite for debt.

- Hence, while Greece had considerable bargaining power, it lacked the Troika's ideological ferocity. In particular, Greece put up little fight during the first two bailout programs, as Greece had yet to develop a bipartisan hatred of austerity. Consequently, the Troika overpowered Greece at the negotiating table not through its raw power, but through its willingness to do whatever it took to mete out punishment for Greece's sins.
- Put together, these two factors—Greece's technocrat-driven negotiation and the Troika's obsession with "Old Testament" style justice—help to make sense of the puzzling outcome of the Greek bailout negotiations.

### Voter Turnout

- **Why Does Voter Turnout Matter?** Elections only work when voters cast ballots; otherwise, election results are skewed and disproportionately overweight the political preferences of specific groups (e.g., older, and wealthier voters). High levels of turnout are essential for government legitimacy: an administration backed only by a paltry plurality of voters cannot command the confidence of an entire electorate.
- **What Determinants Influence Voter Turnout?** On average, people with higher levels of education and income are more likely to vote; the same is true for older people. When elections appear competitive, people turn out to the polls at higher rates. In general, disadvantaged groups are less likely (and less able) to vote. Many face barriers to voting (e.g., suppressive laws, stiff opportunity costs, etc.).
- **Why Do People Vote?** Elections suffer from collective action dilemmas: all voters benefit from a well-functioning democracy, but it is rarely in any individual voter's interest to head to the polls.<sup>73</sup> Yet people do vote, and at substantial levels at that. There are several motivations for voting:
  - **Downs's Applied Rational Choice Theory:** For many voters, the gains from voting exceed the gains from abstaining, i.e., there are gains from preferred candidates winning, losses from dis-preferred candidates winning, and costs from voting (implicit gains from abstaining). Per this hypothesis, *eligible voters vote when the gains from voting exceed the costs of voting.*
  - **Riker–Ordeshook's Predictive Voting Calculus:** Voting is an exercise in probabilities. Voters approximate the relative probability their vote will influence an election's outcome by the utility differential between their most preferred

---

<sup>73</sup> After all, the costs are non-zero (e.g., consider the time one must spend processing information, evaluating multiple candidates, driving to a voting station, waiting in line, and then voting) while the benefits are almost assuredly zero (e.g., your vote will almost never swing an election).

candidate winning and most dis-preferred candidate losing; voters' sense of "citizen duty" to vote also matters (e.g., the meaning one derives from furthering democracy, fulfilling one's civic duty, and supporting patriotic values). Per this hypothesis, *eligible voters vote when the expected utility gains from voting (i.e., probability of victory times utility of victory plus "citizen duty" fulfillment) exceed the expected disutility from abstaining.*

- o **Ferejohn–Fiorina’s Minimax Regret Model:** Uncertainty pervades voting behavior: *Will my vote matter? How close will this election be? How strongly do I prefer each candidate?* Constrained by uncertainty, imperfect information, and limited time, vanishingly few voters decide to vote based on classical "utility" calculations. Instead, voters avoid the worst outcome—namely, that their preferred candidate loses by a single vote. Per this *minimax* hypothesis, *eligible voters vote to reduce the loss (regret) from the worst possible outcome (a single-vote loss).*
- o **Schram–Sonnemans’s Game-Theoretic Approach:** Voters participate strategically in elections, since elections are akin to games and voting is subject to group strategy. When voters coordinate, the probability of payoff (i.e., victory in the election) increases. As such, *eligible voters vote when the game-theoretic payoff exceeds the costs of voting—and, as such, coordination increases expected payoffs from participating in elections.*
- o **Aldrich’s Marginal Voting Approach:** For most voters, voting is a low-cost, low-benefit, and low-probability (of affecting change) decision thanks to the liberalization of voting registration laws and procedures, the placing of voting stations near most residences (paired with the rise of urbanization), and the proliferation of easily accessible and low-cost political media; further, in many countries, pro-democratic values are embedded in social and cultural norms.
- **Horse-Race and Poll-Based Forecasting Coverage:** Per rational choice and minimax regret theories of voting (see above), *voters are more likely to turn out when they think their vote matters;* evidence supports this theory. Yet electoral forecasting suggests elections' outcomes are more certain than they are. Pollsters aggregate data about the *expected vote share* to calculate *victory probabilities*. But most viewers lack a sophisticated background in statistical analysis, so error margins are often under-credited and victory predictions are over-credited. Pollsters routinely struggle to predict error margins (especially total survey errors) accurately.

## WFH

- **Fast Facts:** In developed economies, workers are spending around 30% of their working hours working from home. Economists estimate that worldwide, full-time workers work from home approximately 0.9 days per week. Many employers increasingly deploy "hybrid" work regimes—part-time work-in-person, part-time work-from-home.

- **The Transition to WFH:** Prior to COVID, just ~7% of work had been conducted from home, but the pre-pandemic rise of web-based video-conferencing platforms (e.g., Teams, Skype, Zoom), cloud-based file-sharing platforms (e.g., Google Drive and Dropbox), and expanded access to high-speed broadband made the COVID-era transition possible. Once COVID hit, millions of workers were forced to work remotely due to social distancing and lockdown requirements.
- **The Persistence of WFH:** The COVID pandemic revolutionized labor markets: with millions of suppliers, producers, and consumers deeply affected by the transition to remote work, many realized that WFH was more effective, practical, and favorable than previously imagined. Further, COVID drove demand for WFH-adjacent infrastructure: social norms which tolerated (or even applauded) remote work, government programs to expand Internet access in low-income areas, advancements in teleconferencing software, and COVID-era organizational restructurings.
- **WFH Suitability:** Some jobs (e.g., phone-based customer support staff) are suitable for full-time remote work. Other jobs (e.g., front-line retail positions) are unsuitable for full-time remote work. Many jobs lay in the middle of that spectrum: *some tasks are best performed in-person, other tasks are best performed remotely* (e.g., healthcare professionals splitting time between in-person care and remote consultation). On average, better-paid and better-educated positions are statistically more suitable for WFH.
  - **The US as an Exception?** Compared to other high-income countries (both in Europe and Asia), a greater proportion of the US workforce is employed virtually. Why? (1) Average US residences are larger than average residences in Europe/Asia; home offices are hence easier to accommodate. (2) The US employs an unusually large number of people in information technology, finance, and business services—all fields that have remained predominantly remote. (3) The US' COVID response was worse than many other countries (e.g., South Korea and Taiwan); driven by credible fears of infection, workers demanded virtual work for longer periods of time than countries where businesses could safely reopen sooner. (4) As an economic superpower, US managerial practices are considerably better-developed than those of most other OECD/high-income countries; that allows US companies to conduct performance measurement and employee evaluation more efficiently, even when workers are not directly monitorable (in-person) by their bosses.
- **Economic Effects of WFH**
  - **Labor and Product Markets:** Firms in high-wage areas can hire workers in low-wage areas, reducing labor costs; via this mechanism, remote work facilitates efficient employee–employer matching. Furthermore, given the broad popularity of WFH amongst workers, attrition rates decrease when workers have the flexibility of remote work (hence reducing replacement costs). WFH broadens

labor pools: (1) Remote work eliminates geographic restrictions (e.g., an accountant based in Bulgaria cannot work for an accounting firm based in Austria) and hence deepens labor markets. (2) Remote work eliminates commuting; that time-saving feature of WFH expands labor supply. (3) Many people are unable or unwilling to work in-person: many lack transportation infrastructure (especially in economically depressed areas), must stay home to monitor children, suffer from mobility constraints (e.g., physical disabilities), or cannot cope with face-to-face interactions in the office. (4) Given its widespread popularity, WFH constitutes a “labor amenity” and hence raises the supply of labor. Remote work also facilitates efficient matching: *in-person work means workers often cannot work the jobs they are best situated for.* WFH also boosts productivity: working from home has its perks (flexibility, comfort, avoiding cubicles, time savings, quieter working space, and so on), which translate into increased output. Commute times are often long; workers either work longer (boosting output) or avoid commuting (boosting morale). Furthermore, remote work offers enormous cost savings to companies since acquiring Class A or B office space in expensive metropolitan districts is expensive.

- **Market Downsides:** WFH depresses wages (see above). Teamwork is harder online: face-to-face interactions strengthen interpersonal relationships and encourage informal team-building. “Social siloing” (engaging with fewer coworkers) is easier when work is asynchronous. And since the “three enemies of working from home are the bed, the fridge, and the TV,” remote work reduces productivity. Furthermore, WFH undermines mentoring by reducing precious opportunities for informal bonding and networking (e.g., post-work beers, water-cooler talks, etc.). WFH damages institutional knowledge transmission: face-to-face interactions undergird the diffusion of knowledge and generation of new ideas through serendipitous interactions.
- **Hybrid Work—A Compromise?** Work-from-home and work-in-person both have their upsides. Hybrid employment models strike a reasonable balance by bifurcating the week into individual tasks (WFH) and group tasks (in-person). Post-COVID, most people are well-acquainted with electronic/virtual communication—so even in-person work often features extensive use of teleconferencing and telecommunications.
- **Housing:** In September 2022, three leading economists published a report that credibly estimated the norm of working from home would lead to an “office real estate apocalypse.” Urban real estate prices fall because WFH expedites the “exurban migration” (de-urbanization); that causes pain in both financial and housing markets.

- **Social, Emotional, and Political Consequences:** Women may benefit from WFH—able to balance between domestic duties imposed on them by patriarchal norms and vocational duties (which they can satisfy from home). Avoiding the commute (and nine hours in a cubicle) boosts mental health. WFH gives workers flexibility to break up their day as they see fit.
  - **Polarization:** WFH may reduce peoples' stochastic interactions with non-like-minded colleagues (e.g., conversing with a conservative co-worker over lunch); reducing these interactions drives polarization.

## **Development Aid**

- Development aid comes in two forms: (1) **Bilateral**, i.e., when one country gives development aid to another country. (2) **Multilateral**, i.e., when an international organization e.g. the World Bank e.g. the UN gives development aid to another country.
- ~80% of all international development aid is given by governments; the remaining ~20% comes from individual philanthropists, businesses, and NGOs like Oxfam. Of international development aid (known as “Official Development Assistance”), ~70% is bilateral and ~30% is multilateral.
- Development aid typically entails low-interest loans or grants (which don't have to be paid back) to poor(er) nations to develop their economies long-term.
- During the 2010s, the largest **recipients** of development aid were Afghanistan (\$37.6 billion), India (\$18.1 billion), Ethiopia (\$17.6 billion), Vietnam (\$17.4 billion), Pakistan (\$15.8 billion), the DRC (\$15.6 billion), and Iraq (\$14.7 billion).
- During the 2010s, the largest **donors** of development aid were the US (\$323 billion), Germany (\$188 billion), the United Kingdom (\$171 billion), France (\$115 billion), and Japan (\$107 billion). China contributed just \$38 billion in international development aid in that same window of time. As a percentage of gross national income (a reflection of economic strength), Norway and Sweden rank as the top two nations in terms of percentage of aid provided out of their total GNI.
- **USAID** is a federally funded \$20 billion international development agency that accounts for the majority of US government spending on foreign aid and development assistance. Though funded by the government, USAID operates as an independent organization that has authority to allocate its own spending however it deems best for achieving its humanitarian goals. The US has recently increased USAID commitments to countries like Venezuela and Fiji amidst the pandemic, and in general operates in over 120 typically lower-income countries around the world. Examples of former aid recipients are Chile, Costa Rica, South Korea, Taiwan, and Brazil, who are also some of America's largest trading partners. Though making up less than 1% of the federal budget, USAID offers comprehensive assistance by providing food, medicine, water, sanitation, and crisis response, in addition to on-the-ground assistance working to do build schools and work

with non-governmental aid organizations, local private-sector companies, and the government with the goal of self-sufficient development, democracy, and peace.

### Against Development Aid

- Development aid is economically harmful for recipient nations:
  - Development aid fosters unhealthy economic dependence. Nations become reliant on the aid provided by foreign powers, which reduces the incentive for regional governments to implement policies that guarantee long-term economic growth since they, as well as domestic political populations, come to anticipate the flow of foreign dollars. This dependence and resultant decreased political incentive to create independent means of financing government policies is harmful:
    - Aid is eventually likely to stop flowing into these nations because political affiliations change and the willingness and capacity of foreign nations to act as powerful donors changes.
    - In times of recession, foreign powers don't have the excess money nor political will to provide foreign aid, which means that the economies of these nations plummet.
    - When developing economies become dependent upon aid yet fail to progress in terms of development, populists can weaponize public anger about these programs (e.g., "they're just leaching off of us!") in order to win elections and gain social and political capital.
    - When governments can rely on foreign development aid, they're less inclined to internally reform issues of corruption. This is because in the counterfactual, when they can't as easily rely on aid, governments have to finance state-run programs by issuing bonds since tax revenues are small given rampant poverty amongst the citizenry; this matters because institutional investors are disinclined to lend to corrupt regimes for fear of not being paid back due to a lack of transparency and poor governmental incentives.
  - Development aid displaces local industries, like local food producers, because domestic producers simply can't compete with the free or heavily-subsidized products or services that are provided through international aid. This destroys local jobs and decreases aggregate economic growth
  - Aid money is spent corruptly and there's an incentive for the recipients of aid to spend money in a way that is not conducive to meaningful development: (1) Especially in novel state regimes, patronage networks are highly influential because politicians need to curry and maintain favor from powerful individuals within society. (2) The fact that politicians are often quite undercompensated means they're likely to use foreign aid in corrupt, economically self-serving ways. Maybe aid can be earmarked for specific purposes, but these are often highly

- complex, multifaceted projects which means that there's ample opportunity for money to be correctly siphoned off.
- International donors have a poor understanding of the on-the-ground conditions that result in poverty and a lack of economic development. This is because donor nations and foreign international aid organizations hold explicitly or subconsciously racist attitudes towards the countries they're providing aid to, which means they often have a poor cultural, geographical, and social understanding of the context of these nations. It's also often the case that foreign aid organizations are geographically far removed from the consequences of their actions, which thus means aid is often distributed in ineffective and harmful ways due to information asymmetries.
  - Foreign aid reduces government accountability, not only because of the bond market mechanism, but also because when governments rely on foreign dollars rather than tax revenue to fund social/economic programs, individual citizens have less direct influence over the government, which is particularly problematic in countries with nascent or emerging democratic infrastructure.
  - Foreign aid causes increased capital inflows which induces currency appreciation, thus causing the Dutch disease phenomenon which reduces the viability of these nations' export sectors.
  - Aid is often only provided to nations in exchange for certain economic conditions, e.g. structural adjustment, austerity, etc, being implemented; this is structurally likely because multilateral aid donors have to court continued donations from around the world, e.g. from member nations or private donors, so they have to impose economic restrictions on the recipients of aid. This is bad for the economies of these nations.
  - Aid can often be stolen by paramilitary groups especially in less-secure states while in transport.
  - Development aid is politically harmful for recipient nations:
    - Aid is often a political weapon given by nations to their political allies or regionally important nations. However, when nations receive foreign aid from abroad, they become politically dependent upon the donor nations: since vitally important projects like infrastructure construction is financed through foreign dollars, governments suffer from a chilling effect whereby they're scared to implement policies that might anger or provoke retaliation from foreign aid donors (e.g., nationalizing industries despite receiving aid from explicitly pro-capitalist, pro-austerity Western countries or imposing tariffs on foreign goods despite relying heavily on aid coming from pro-WTO/pro-IMF nations) and donors can always threaten to withdraw aid, which creates political subservience that restricts the autonomy of these governments. This is harmful because these governments are directly accountable to their own constituents and have a better

- on-the-ground understanding of what sorts of policies are needed, so reducing their ability to act independent of foreign political interests is harmful.
- Foreign aid undermines the perceptual credibility of domestic governments and increases radicalization because (1) people come to expect services from foreign, often-Western governments rather than their own local governments which reduces peoples' faith in local democratic infrastructure, and (2) the West is often hated in many parts of the developing world due to the legacy of colonialism, which thus taints the perceptual legitimacy and credibility of novel state regimes.

### For Development Aid

- Development aid is preferable to the likely alternative which is China.
  - Why will nations turn to China instead? (1) They still need funding, and when they can't get that funding from major foreign aid donors, the most plausible counterfactual is to turn to a different major power, e.g., the rise of China. (2) China's Belt and Road Initiative means that now more than ever before, China is actively engaging in outreach efforts to provide investment into poor nations, e.g., Sri Lanka, that are in need of things like physical infrastructure (C.f. Montenegro's highway project through the BRI).
  - China is worse: (1) China debt-traps nations through the BRI by saddling impoverished countries with unpayable debt burdens, then seizes physical collateral when nations face sovereign debt default. (2) China has a terrible track record on human rights, e.g., the abuse of Uighurs in Xinjiang, so increased Chinese influence is, on the margins, likely to be harmful to the protection of human rights.
- Development aid is independently good.
  - Recipient nations are often quite poor so they don't have the money to do things like build schools, hospitals, or roads on their own.
  - Educational facilities are often provided through foreign aid which helps increase the long-term ability of nations' economies to grow since improving human capital attracts foreign investment, acts as a de facto subsidization of worker training costs thus spurring business growth, and equips people with the skills they need to do things like create new startups or earn higher wages.
  - Healthcare infrastructure is vitally important yet can't always be financed/funded by cash-strapped governments. Foreign aid fixes that, allowing for faster responses to pandemics and reducing the spread of preventable yet highly damaging illness.
  - Infrastructure projects can often be built through foreign aid financed endeavors; this is good because (1) this enables the uplifting of the rural poor by interconnecting urban and rural areas, and (2) this generates long-term economic

growth when internal transportations costs are lower and economic interconnectedness is higher.

- Development aid is the best way that nations can exert their will over foreign allies or geopolitically important nations.
  - If foreign aid is politically weaponizable, the underlying incentives for governments to exert political influence over other nations doesn't go away when they cease giving foreign aid. Rather, this manifests in other more nefarious ways that yield less of a benefit directly to the people, e.g., military interventions, targeted sanctions, or forced implementation of austerity through international organizations.

### **Dominant Political Parties**

What Parties are Dominant Around the World?

Country	Political Party	Period of Dominance
South Africa	African National Congress	1994—today
Turkey	AKP	2002—today
India	BJP	2014—today
Taiwan	Kuomintang (KMT)	1949—2000
Japan	Liberal Democratic Party	1955—1993
Uganda	NRM	1986—today
Bangladesh	Awami League	2009—today
Angola	MPLA	1975—today
Croatia	HDZ	1995—today
Cameroon	CPDM	1985—today

- First, dominance is localized: dominant parties tend to exist in post-colonial developing countries. There are, of course, outliers (e.g., the LDP in Japan or the KMT in Taiwan) but by and large, the typical countries where dominant parties predominate are post-colonial developing countries.
  - That characterization provides useful context for arguments about ethnic tensions and intra-communal violence. For instance, teams might strengthen arguments about sectarian violence by exploring the *imperial origins* of sectarian tensions in post-colonial countries (e.g., colonial powers stoked ethnic tensions and pit rival ethnic groups against each other to “divide and conquer” their colonial subjects).

- Second, dominance is the product of history: dominant parties are often closely linked with historical independence movements. Need some examples? The ANC led the charge to end the Apartheid regime in South Africa. The HDZ spearheaded Croatia's War of Independence. The Kuomintang founded the Republic of China (Taiwan). The MPLA led Angola's anti-colonial struggle against Portugal.
  - A party gains tremendous political influence by portraying itself as the national liberator. In doing so, parties which champion their historic involvement in anti-oppressive resistance gain a unique *comparative advantage* over other parties: any other party can, for instance, claim to have better policy proposals... but no other party can claim to have led the nation to freedom.
- Third, dominance is impermanent: dominant parties can indeed lose their dominance. Taiwan's Kuomintang could not maintain its authoritarian grasp on power indefinitely. Croatia's HDZ has lost two different elections in the last two decades. Japan's LDP couldn't prolong its stay in government amidst Japan's "Lost Decade" financial crisis. South Africa's ANC is slipping in the polls and may eventually cede power to the major opposition party, the Democratic Alliance. India's Congress Party once dominated the seats of parliament, but now the BJP reigns supreme. Turkey's Erdogan of the AKP won this May's election but only by the narrowest of margins.

### Do Dominant Political Parties Play By the Rules?

- Political dominance is not inevitable: parties *become* dominant and *stay* dominant through deliberate action. How do parties do this?
  - In some countries, parties maintain political dominance through authoritarian tactics which quash opposition and silence dissent (what we might call "illiberal dominance"). In other countries, parties maintain political dominance by establishing a consistent track record of good-quality governance and effective economic development, such that voters consistently support those parties, even when viable opposition parties exist (what we might call "liberal dominance"). And in the remaining countries, parties lay somewhere in the middle: they may not be completely illiberal (e.g., arresting journalists, jailing opposition politicians, packing the courts, etc.) but they also may not be completely liberal (e.g., holding free and fair elections).
  - On the farthest end of the spectrum are parties which achieve dominance through *overtly non-democratic means*. The United Russia party, for instance, clamps down on political opposition to Putin's autocratic regime, like by assassinating outspoken critics (e.g., Alexei Navalny). Zimbabwe's dominant ZANU-PF party makes extensive use of electoral fraud to stay in power in Harare. Hungary's Fidesz party limits the freedom of the press and the independence of the Hungarian judiciary to retain control. Likewise, the dominance of Daniel Ortega's regime in Nicaragua can hardly be chalked up to a healthy democratic ecosystem.

- Most debates about dominant political parties are not about these types of parties. That's not surprising: many of these countries may not even qualify as democracies after years of democratic backsliding under illiberal-authoritarian dominance. Illiberal dominant parties entrench their own illiberal dominance. Courts are stuffed with anti-democratic cronies who'll turn a blind eye to breaches of the democratic process. Independent electoral commissions are gutted and co-opted by powerful autocrats. Investigative journalists are harassed by party loyalists and intimidated by law enforcement. Districts are gerrymandered to the ruling party's advantage. *In this grim context, debates about working within the democratic process are unlikely to have a meaningful margin of impact.*
  - Instead, most debates about dominant political parties focus on parties that are only *partially* authoritarian in their tactics. What's the distinction? Parties like United Russia or ZANU-PF possess irrevocable dominance; barring a miracle, they're highly unlikely to be removed from power through the democratic process. Sure, a revolution or coup or wave of protests might take them down, but an election probably won't.
  - But parties like the AKP (Turkey) or the BJP (India) or the ANC (South Africa) aren't quite like that. Sure, these parties can exhibit quasi-authoritarian tendencies. The BJP has, for instance, been credibly accused of election interference. The ANC has been plagued by repeated corruption scandals. Turkey's 2017 constitutional referendum, which undermined traditional checks and balances on the executive's power, raised eyebrows about the AKP's authoritarian tendencies.
  - *Yet even still, these parties are vulnerable to defeat in elections.* Fewer than 45% of South African voters support the ANC. President Erdogan limped to victory with just 52% of the vote in his presidential runoff race. The BJP is facing domestic and international scrutiny for its hardline Hindutva agenda.

### What Role Does Ethnicity Play?

- Many parties—both dominant and non-dominant—are explicitly *ethnic* parties. These parties cater to specific ethnic groups. They campaign primarily in areas where those ethnic groups reside. They politicize ethnicity to gain power.
  - The Arakan Liberation Party in Myanmar frames itself as the political representative of the Rakhine people. The Rainbow Party in Greece curries the vast bulk of its support from ethnic Macedonians. The Party of Democratic Action in Bosnia champions the Bosniak ethnicity. The Basque Nationalist Party in Spain hardly makes its ethnic affiliation secret.
- Clearly, there must be power in making ethnicity a political issue. But why do parties do this? And why do so many different parties in so many different types of countries do this?

- *Targeting political messaging towards a particular ethnic group is an easy, low-barrier way to capture a large portion of the electorate.* All you have to do is get that ethnic group on your side and you've immediately established a large, loyal political base.
- First, ethnicity only becomes salient (important) if parties deliberately make ethnicity salient. Why is that? Gut check: *ethnicity isn't magical*. It's not as if there's some unspoken agreement between all members of a particular ethnic group that they must vote for the same political party. Instead, ***parties must politicize ethnicity*** in order to make ethnicity salient. In other words, soon-to-be ethnic parties need to convince their soon-to-be ethnic voter base that when they head to the polls, *ethnicity* should be the foremost issue on their minds.
  - How must parties do that? They must weaponize ethnic tensions to their advantage, stoking an exclusive sense of nationalism and fear of other ethnicities. They must fashion themselves as the champion of an oppressed ethnic identity. They must integrate ethno-cultural imagery into their messaging, run candidates exclusively from the preferred ethnic group, appeal to historical grievances between ethnic groups, and elevate the importance of ethnicity in political debates over national identity.
- Second, ethnicity—once politicized by political parties—is a powerful vehicle for parties to secure power. That's for several reasons.
  - One, ethnicity is a convenient shortcut for information-poor voters, especially in newly-formed democracies. *Don't know much about politics? Don't know who to vote for? Don't read the newspaper? Just vote for the party that represents your identity!*
  - Two, ethnicity can be a profoundly important factor in elections in *patronage-democracies*. What on earth is a patronage democracy? In many parts of the world, governments are heavily involved in the economy, especially when profitable industries are managed by state-owned enterprises. That means governments often employ thousands of people in (good-paying) public-sector positions.
    - *And how do governments determine who gets those coveted positions?* Typically, political parties in power award lucrative public-sector gigs to people who have been loyal to the party—to the party's "patrons," in other words. For instance, suppose you're a political party which recently came into power. When a job in a government ministry or state-owned company opens up, who might you give that job to? Sure, you *might* give it to the applicant with the best résumé... But more likely, *you'll give the job to someone who's supported your party in the past* (e.g., someone who's generously donated to your party in the past).

- You can quickly imagine why parties benefit from affiliating with ethnicities: in patronage-democracies, *ethnic political parties promise rewards to the people who support them*, so individuals within those ethnic groups have strong incentives to support those parties to (potentially) gain the benefits of public-sector employment. After all, aren't you better off if the party in power allocates a hefty majority of government jobs to *your ethnic group*?
- Third, politicizing ethnicity is easiest when relations ethnic disputes (e.g., ethnic discrimination or intercommunal violence) are compounded by socio-economic hardships. In particular, ethnic parties typically—though not exclusively—cater to ethnic groups which face severe poverty, limited job opportunities, and constrained economic prospects.
  - Why is that? *Middle- and upper-class voters are far less likely to unite behind a single party, regardless of ethnic affiliation.* That's because as voters grow wealthier, their political preferences grow more divergent; once your baseline economic needs are met, the issues which influence your vote grow more diverse.
  - Here's why that matters. Political parties struggle to consolidate unified support from ethnic communities which are, on average, economically well-off. Therefore, most dominant ethnic parties unify *disadvantaged ethnic groups*.
- Capturing ethnic constituencies doesn't happen randomly—parties must actively work to politicize ethnicity; once parties have politicized ethnicity, they gain key electoral advantages, by gaining the support of information-poor voters and by exploiting political patronage; this process typically succeeds the most when parties target oppressed, disadvantaged ethnic identities.
- But not all dominant political parties achieve dominance by politicizing ethnicity. In many countries, dominance comes through multi-ethnic coalitions, which often happen when countries lack a single dominant (e.g., majority) ethnic group.

## Securities Firms

### Investment Banks

- Investment banks (sometimes called “securities firms” more generally) provide investment-related services, usually to large companies, wealthy individuals, or other banks. There are several major services investment banks focus on:
  - *Underwriting*: investment banks underwrite corporate bonds, which means they assess companies' creditworthiness and then help those companies issue debt, which other investors can buy.
  - *Initial public offerings*: when companies “go public” and trade on stock exchanges, they turn to investment banks for help with the process.
  - *Mergers and acquisitions*: when companies merge, or acquire other companies, or sell off subsidiaries, they need legal and financial advice from investment banks.

- *Wealth management*: some investment banks offer specialized investing services for high-net-worth individuals by managing (and growing) their assets through profitable investments.
- The largest, most-capitalized, and most prestigious investment banks are known as the “bulge bracket” banks; examples include Goldman Sachs, Morgan Stanley, and Bank of America. “Boutique banks” are smaller, both in size and in focus. “Middle-market” banks fall in the middle.

### Private Equity

- “Equity” refers to shares in a company. “Public equity,” more commonly known as “stocks,” can be purchased by nearly anyone; companies that launch an IPO can subsequently issue shares of public equity. By contrast, ownership shares in companies that don’t go public are known as “private equity” shares.
- While many conventional asset management funds (e.g. mutual funds, pension funds, exchange-traded funds, etc) primarily invest in *public equity*, private equity firms focus their investments on privately-owned companies.
- To do this, private equity firms raise funds from private accredited investors (like banks or wealthy individuals), and then invest those funds into privately-owned companies. “Leveraged buyouts,” in which a private equity firm borrows money to then buy out a majority stake in a company, are a common tactic. Once PE firms have a controlling stake in a company, they work closely with corporate leaders to increase the firm’s value; after seven to ten years, investors in the private equity fund receive their payout.
- Blackstone is the best-known private equity fund currently in operation. Apollo Management and the Carlyle Group are also well-reputed.

### Venture Capital

- Venture capital features nearly-identical principles as private equity, but while PE firms focus on relatively *mature* (i.e. well-developed and established) companies, venture capital firms speculatively invest in highly risky start-ups, where the risk of loss is high but the potential gains are enormous.
- Unsurprisingly, many VC investments fail, but venture capitalists accept these losses in the hopes that they strike the next “unicorn” (an extraordinarily profitable company). To compensate for this risk, venture capital firms receive large ownership stakes in the companies they invest, and provide extensive managerial insight for maximizing growth potential.

### Hedge Funds

- Hedge funds pool billions of dollars from wealthy investors and institutions and invest those funds, aiming to “beat the market” and offer high returns. Unlike many other institutional investors (like mutual funds or credit unions), hedge funds actively invest in

highly complex financial instruments, often with a considerable degree of risk. Additionally, most hedge funds are highly *leveraged*, meaning that they borrow significantly.

- Hedge funds are subject to fewer regulations and disclosure requirements than most other investment funds. Whether they are more profitable (or even more risky) than alternative institutional investors is hotly debated; there isn't clear evidence.

### Asset Managers

- Most people do not manage their own investments directly; they have neither the time nor the expertise. Instead, they delegate that responsibility to asset managers. Many investment banks—and specialized companies—provide these services. Examples include mutual funds and pension funds.
- Asset managers invest in a wide range of financial instruments.
  - *Fixed-income securities*—most notably bonds—promised a fixed rate of return over a set period of time.
  - *Stocks* are more volatile, but investing into a well-diversified portfolio of stocks can yield handsome returns.
  - *Derivatives* include a range of financial products which allow investors to “bet” on underlying assets. For instance, Treasury futures are (in effect) bets on the future yields that US Treasury bonds will offer.
- Asset management strategies vary in several ways.
  - *Risk appetite* varies. A middle-class family may prefer stable and consistent returns, while a wealthy millionaire may prefer to speculate in the hopes of profiting spectacularly.
  - *Liquidity* varies. Longer-term investors (for instance, a middle-aged worker planning on retiring in several decades) might be fine investing in relatively illiquid (i.e. unable to be sold quickly) securities. Conversely, a highly risk-averse or short-term investor might care about investing in highly liquid assets.

### Court Debt

- Courts are increasingly willing to impose monetary penalties on low-income defendants—and then imprison those who are unable to pay. Across the country, former prisoners owe an estimated twenty-seven billion dollars in court-ordered debts.
- How does court debt endanger public safety? Legal debt exacerbates the economic deprivation that drives recidivism. People released from prison already struggle to find gainful employment, since companies are often reluctant to hire those with criminal backgrounds. Legal debt worsens this economic plight by depriving released convicts of the income they need; out of desperation, many turn to illicit economic activities. Even worse, court fines make stable employment a near-impossibility for those recently released from prison. For instance, in California, over four-million released convicts have had their driver's licenses revoked due to outstanding debts, even though many people

need cars to commute to work. Similarly, courts in New Jersey frequently summon debtors for in-person court appearances during the middle of workdays, causing nearly 42% of the state's released prisoners to lose their jobs. In turn, this financial insecurity often forces people towards crime, like robbery or drug peddling.

- Beyond its effects on recidivism, legal debt fuels social isolation. Criminal sanctions punish not only through debt, but also through stigma. Reformed convicts, eager to turn their lives around, are met with contempt. They are locked out of support structures and shunned by their communities. They disengage from state institutions, like hospitals and schools, since they fear being arrested—and losing their right to vote only vindicates those feelings of resentment. This stigma is as demoralizing as it is destructive, causing many people to internalize a deep sense of shame and humiliation. For instance, in Oregon, an estimated 6,000 people released from prison have struggled with substance abuse or mental illness in part caused by the emotional and social burdens that accompany criminal sanctions. Hence, court-ordered debts inflict needless suffering on former prisoners.
- This suffering is shared unevenly, as legal debt exacerbates racial disparities in the criminal justice system. Court-ordered debts trace their roots back to the Reconstruction Era, when Southern courts imposed onerous fees on Black freedmen to force them into bonded labor. Nowadays, prison debt continues to disproportionately harm minorities. Sociologists from the University of Washington found that on average, Black men are saddled with debt burdens more than *twice* their expected earnings, whereas the debt burdens imposed on white men are much closer to their expected earnings. And even when judges don't impose greater fines on minorities, the consequences are still disparate. For instance, a report from the US Department of Justice found that legal debt disproportionately worsens the mental and physical health of Black men. Courts are bound to uphold justice—yet the debts they issue are deeply unfair.
- The injustice of court debt extends beyond racism. No one should be punished twice for the same crime, yet that's exactly what court-ordered fines do. Former criminals have already paid their debt to society by serving time behind bars. Further punishment in the form of onerous fees isn't just counterproductive—it's also a violation of the justice system's foundational principles. Moreover, punishments should be proportionate: two people guilty of the same offense should be punished to the same degree. But judges seldom consider a defendant's ability to pay when assessing fines, which means the penalties they issue disproportionately harm the poor. In short, court-ordered debts betray the moral duties of the justice system.
- That being said, court debt isn't *all* bad. Proponents of the legal debt system rightly note that governments commonly use revenues from court-ordered fines to cover courts' operating costs. But this claim is misleading. Although legal debts raise revenue, the process of *collecting* that revenue is vastly more expensive. Jailing those who default is costly, as is paying probation officers to monitor payment compliance; for instance, New

Mexico's Socorro County spends nearly \$1.17 on collecting fees for every \$1 of revenue collected. Therefore, legal debt's sole benefit—revenue generation—is inefficient at best. On the whole, these revenues are dwarfed by the costs of recidivism, like property damage, medical bills, and higher taxes.

- Courts impose fines only on criminals, but we *all* bear the costs. This system is failing—making our streets more dangerous and our courts less equitable. Reform is critical. When judges assess fines, they should take a defendant's ability to pay into account to ensure that monetary sanctions scale in proportion to defendants' wealth. States should cease imprisoning people for defaulting on court-issued debts and permit those with delinquent loans to retain their driver's license. Reform has proven successful; for instance, Ohio's decision to permit courts to waive past debts for low-income defendants has successfully reduced rates of recidivism. In essence, *America must reject the criminalization of poverty.*

## **Mercenaries**

### **The Case for Mercenaries**

#### **First Argument: States have every right to use mercenary forces in combat.**

- War is regrettable but inevitable—and in that context, states have a well-established right to go to war under just conditions (namely in self-defense, in defense of their allies, and in accordance with the R2P doctrine).
- In pursuit of just ends, states have wide latitude in the tactics they may deploy while executing wars; for example, they may conscript soldiers and they may destroy strategic enemy targets. Why do states have such leeway?
  - First, war is hell—and morally, we strive to reduce war's hellish power. Deferring authority to states (within harm-constraining limits) best maximizes this objective because states wish for wars to end speedily both for the sake of their soldiers and their civilians. For instance, this harm-minimization principle explains why proportional attacks which further necessary military objectives but unintentionally injure civilians are deemed permissible.
  - Second, the right to wage war is derived from the right to national sovereignty. After all, states have obligations to protect their borders, safeguard their citizens, and defend their national interests; states' claims to wage just war extend from these obligations. For instance, states may amass armies and develop weapons inventories—even when doing so jeopardizes international stability—because sovereignty bestows upon states a legitimate right to warfare (under legitimate conditions).
    - Of course, states' conduct during warfare is constrained; for instance, states cannot deliberately kill civilians, must not inflict needless suffering (e.g., through torture), and must respect POWs' rights. But outside of these restrictions against unjust warfare tactics ("jus in bello") which

gravely offend the human conscience, states have a well-recognized right to wage war, and to wage war with means of their choosing.

- Allowing states to use mercenary forces is consistent with this principle: just as we permit states to outsource specific military initiatives, like weapons construction or intelligence reconnaissance, to private firms, states have an equally valid right to use mercenaries since doing so aligns with states' strategic and sovereign rights.

**Second Argument: When deployed in active combat zones, mercenary forces are preferable to state military forces.**

- War abuses happen all-too-frequently: mass rapes, civilian massacres, looting and pillage, and so forth. Let's analyze the reasons why war crimes occur so frequently and juxtapose the incentives of mercenaries with those of state-run militaries.
  - Situationism: the battlefield's heated haze is frenzied, confusing, stressful, and terrorizing—and that haze debilitates soldiers' capacity for moral judgment and activates their animalistic instincts for unfettered violence.
    - PMCs predominantly hire battle-hardened veterans (e.g., South Africa's Executive Outcomes draws from the former 32nd Battalion) and were often founded by elite military personnel (e.g., Blackwater was founded by Erik Prince, a former SEAL); hence, mercenary forces retain greater moral judgment on the battlefield thanks to their experience. Conversely, most national militaries' personnel lack boots-on-the-ground experience, as few countries ever experience war, most soldiers rarely see combat, and short enlistments (and conscription policies) limit battle opportunities for national soldiers.
  - Militaristic socialization: soldiers spend significant time in training, where they are inculcated into a nationalistic culture which valorizes obedience to authority, dehumanizes enemy forces, and desensitizes soldiers to violence; by the time soldiers gear up for war, they are indoctrinated into rituals and customs which glorify their sacrifice for a righteous cause.
    - PMCs are insulated from national militaries' political frenzy; training emphasizes skills and tactics but, as soldiers' primary motive is personal profit, riling up nationalist sentiment is both unnecessary and wasteful—whereas national militaries must convince conscripts or nervous eighteen-year-olds to put their life in jeopardy for their nation. Mercenaries (e.g., L-3 MPRI) commit fewer crimes of passion, for their enemies are deemed strategic targets, not subhuman vermin. *Profits supersede politics.*
  - Moral disengagement: soldiers seldom question whether their conduct is right or wrong because they are glorified as heroes and instructed that they are the victim and must strike first; inhumane orders are communicated in sanitized language

(“EITs” and “knockout strikes”) and soldiers, instructed to work tightly as a group, diffuse responsibility onto others. Depersonalization encourages moral complacency and shared camaraderie intensifies prejudice against outsiders.

- PMCs are more likely to remain morally engaged than conventional combatants because their motives for joining are individualistic—personal compensation and human capital development. As such, mercenary soldiers are less likely to identify as part of a collective and, consequently, are more likely to think twice before pulling the trigger. *Conventional soldiers are fighting for their nation—but mercenaries are fighting for themselves.*
- Of course, some violence is simply attributable to pathological sadism: bloodthirsty soldiers, drunk on power, exploit their power and inflict pain for pain’s sake. Yet PMCs have strong incentives to avoid hiring such soldiers—and, more generally, to ensure proper observance of international humanitarian law.
  - Reputation is crucial: governments fear backlash, international condemnation, military resignations, and controversy should taxpayer dollars bankroll bloodthirsty for-profit killers embroiled in public scandal. The tremendous rise in war journalism—aided in large part by mobile cell phones, on-the-ground citizen journalism, and satellite imagery technology—ensures that PMCs’ abuses are quickly documented, disseminated, and viralized. Preemptively, mercenaries must address this threat; if not, their government contracts will be terminated. For instance, after Blackwater’s Raven 23 security unit rolled four M1 Abrams into Nisour Square in Baghdad at 12:08 pm on September 16, 2007, and slaughtered seventeen civilians in just twenty minutes, the US Department of Defense cut ties with Blackwater and Iraq’s military revoked Blackwater’s license to operate in the country. (And this pressure asymmetrically affects mercenaries: when US Marines killed 24 unarmed Iraqi civilians in the Haditha massacre on November 19, 2005, outcry was near-silent).
  - Oversight, market, and corrective mechanisms abound. Mercenaries are often, though not always, tightly monitored and regulated by their state employers (e.g., Col Barlow’s STSTEP mercenary force, which spent years fighting Boko Haram in Nigeria under President Jonathan); since the assassination of Haitian President Jovenel Moïse in July 2021 by South American mercenaries and the January 2018 attempted coup in Equatorial Guinea of President Obiang by regional mercenaries, quasi-autocratic regimes have limited mercenaries’ wide-ranging latitude. PMCs usually feature limited manpower (e.g., the AWDF employs just three soldiers) and hence militaries contract mercenaries for specific missions/objectives, which enables close oversight. Mercenaries are seldom classified as national soldiers and hence not shielded from litigation (e.g., CACI contractors at Abu Ghraib sued in *Al Shimari v. CACI* or Colombian farmers suing

DynCorp for counternarcotics operations in southern Colombia); moreover, soldiers' families may sue mercenaries (e.g., the mother of Scott Helvenston, who died in the March 31, 2004 Fallujah ambush, sued Blackwater successfully in 2011 for \$10M) and mercenaries operating in civil war zones fear post-conflict retributive violence (e.g., Col Callan, a Cypriot mercenary, was executed for his crimes in Angola's civil war). Competition promotes a race to the top especially because barriers to entry are low (with thousands of decommissioned soldiers unwilling to return to civilian life and weaponry cheaply available on the international arms bazaar); in December 2006, the US employed an estimated 100,000 PMCs in Iraq across dozens of mercenary forces—demanding each to out-compete the other. Moreover, the culture within mercenaries usually views war as an artform to be perfected more than a commodity to extract profit. Mercenaries, which are immune from financialized short-termist pressures, mustn't jeopardize long-term relationships with prospective clients. Regulatory pressure is growing domestically (e.g., countries cross-referencing mercenary naval vessels with ISO 28007 maritime protocols), internationally (e.g., the UN Mercenary Convention signed by over 40 countries), and within militaries. Many PMCs collaborate extensively with humanitarian NGOs (e.g., the Red Cross) which reinforces humanitarian values within mercenary organizations.

- Mercenaries face a crisis of legitimacy. Yevgeny Prigozhin's Wagner Group, the popularization of the UN Mercenary Convention, and stories of shady PMCs operating in Yemen, Nigeria, Libya, CAR, Mozambique, and DRC have intensified public scrutiny of mercenary forces, even *sans* abuse; for example, UN Secretary-General António Guterres publicly condemned PMCs before the UNSC in February 2019. In that context, mercenaries—now more than ever—must comprehensively train soldiers, implement ethics programs, and credibly signal their commitment to IHL compliance. Indeed, mercenaries care deeply about changing their reputation from “thugs with guns” to professional soldiers (a preference evidenced by the formation of the British Association of Private Security Companies, BAPSC, and the International Peace Operations Association, IPOA). In fact, mercenary groups often desire corporate status (to raise funds in capital markets) which requires compliance with legal codes. Furthermore, liberal states must affiliate with legitimate mercenaries to retain the moral credibility needed to condemn illegal states' illegitimate mercenaries.

### **Third Argument: Mercenary forces enjoy unique comparative advantages relative to conventional militaries.**

- Clearly, mercenary forces can be deployed for cruel purposes. Wagner forces in central Africa prop up dictatorial regimes like in Mali. UAE mercenaries operate with impunity in Yemen, combating Houthi rebels. Petroleum mercenaries openly offer services from

Erbil, Kurdistan's capital, to autocratic oligarchs with a thirst for crude oil. Malhama Tactical, an Uzbeki PMC, wages brutality in Syria on behalf of anti-IS jihadists.

- Yet in these cases, mercenaries are but one instrument of warfare: war hawks in Tehran, Moscow, Riyadh, and Dubai do not need mercenaries, exclusively, to plunder resources, seize oil fields, or wage proxy wars; such anti-humanitarian interests only dominate in regimes with vanishingly little regard for humanitarian well-being, where states are more than willing to amass domestic forces and accomplish identical outcomes. What, then, are PMCs' benefits?
  - Mercenaries are more experienced, resourced, and equipped than national militaries. PMCs primarily recruit experienced veterans with battle experience and strategic expertise: China's Frontier Services Group is staffed primarily by ex-US Army officers and STSTEP's ranks are composed of special-operations forces. Mercenary forces make millions on their contracts and access economies of scope by offering non-paramilitary services (e.g., bodyguard services) and by contracting with non-state actors (e.g., G4S provides security personnel to hospitals, AEGIS backing the UN Electoral Assistance Division in Iraq, and Executive Outcomes—equipped with BPM-2 IFVs and T-72 battle tanks—aiding humanitarian NGOs in Angola and Sierra Leone); these revenues have allowed mercenary forces to acquire cutting-edge military technology—Kalashnikov rifles, Mi-24 attack helicopters, T-72 tanks, armed patrol boats, M15 firearms, rocket-propelled grenades—and hire highly-qualified military personnel (e.g., former SEALs). Mercenaries often specialize in tactical specialties, like anti-piracy or counterterrorism; for example, between 2009 and 2015, Nigeria's military made little progress in recapturing northeastern territory from Boko Haram but the March 2015 deployment of STSTEP mercenaries ousted Boko Haram from the Sambisa Forest within weeks.
  - Mercenaries supplement under-staffed national militaries, which often are under-resourced (due to austerity programs and strapped state budgets), under-qualified (due to limited institutional knowledge), and choked in bureaucracy, red tape, and government corruption; private-sector efficiency à la PMCs offer a solution, as renting military force is cheaper than owning military force—in fact, the CBO estimated that deploying mercenary battalions saves \$11M compared to conventional forces. This cost-effectiveness is particularly important for nascent democracies, where conscription is unpopular, nationalist recruiting sentiment is shallow, and state coffers are depleted; for instance, between 1995 and 1997, Sierra Leone deployed Executive Outcomes mercenaries (at \$1.2M/month) to quash the Revolutionary United Front.
  - Mercenaries are a crutch for states that wish to fight but do not wish to bleed; the US couldn't maintain DOD forces at the Bagram Air Base in Afghanistan, but Asil Khan's Navin PMC forces supplied defense; international shipping lanes in

the Horn of Africa, like the Gulf of Aden, deploy PMCs to combat piracy. Additionally, when militaries withdraw rapidly due to the body-bag effect, PMCs fill the void.

- Mercenary forces often hire locally because domestic soldiers are cheaper to hire and possess familiarity with local terrain, culture, and language (e.g., the Gurkha Security Guards hires primarily Nepalese soldiers); that's essential for building trust with local communities. Conventional militaries seldom prioritize hiring locally—but for PMCs, Carl von Clausewitz meets Adam Smith, profit interests incentivize this behavior. This possibility is made a probability because the Cold War's collapse marked hypermilitarization's end and privatization's rise—leaving thousands of soldiers on the market in Latin America, Africa, and Southeast Asia.
- Mercenaries have special-use cases: helping with humanitarian and disaster-relief operations in dangerous areas (e.g., NATO's KFOR force in Kosovo hired mercenaries to protect refugee camps; training domestic forces (e.g., Burundi's elite Presidential Guard received weapons and training from Western mercenaries, e.g., Congo-Brazzaville hired Lordan-Levdan to train its army); mercenaries can protect valuable positions (e.g., oil pipelines and chokepoint roadways) and conduct strategic reconnaissance (e.g., Hakluyt & Company, Veracity Worldwide, and Black Cube, which usually hire ex-FBI, ex-CIA, ex-MI6, and ex-Mossad agents).
- Mercenary forces may counterintuitively reduce conflict. Population-poor states (especially around the Persian Gulf) lack deterrence capabilities but embrace *pecunia nervus belli* ("money is the soul of war") to buttress their military strength via PMCs. Furthermore, bidding races in one region (e.g., Eritrea/Ethiopia) raises mercenary costs abroad as demand increases. Furthermore, states can reduce their reliance on colonial military powers (like France in Francophile Africa) through hiring mercenaries (e.g., Papua New Guinea hired Sandline mercenaries in the 1990s to reduce military dependence on Australia). Additionally, countries can increase regional security abroad by deploying PMCs (e.g., Arab-Muslim states sending PMCs to Bosnia in the 1990s).

### **Lesbian Separatism**

- In *The Second Sex*, Beauvoir writes: "Authentic love must be founded on reciprocal recognition of two freedoms; each lover would then experience himself as himself and as the other: neither would abdicate his transcendence, they would not mutilate themselves; together they would both reveal values and ends in the world. For each of them, love would be the revelation of self through the gift of self and the enrichment of the universe"
- Beauvoir claims that love requires generosity, modesty, and equality; above all, loving relationships must be a "free exchange." Freedom is central: we must be free from social,

economic, and legal oppression to create authentically meaningful relationships. This follows directly from the existential maxim that “existence precedes essence”: we are thrown into the world with much that we did not choose, such as our bodies and our situations; but we are fundamentally free, and we realize our freedom by actively choosing our lives, propelling ourselves purposefully into self-chosen projects, and taking risks. We create and discover meaning in our lives by “transcending,” i.e., by launching ourselves into the world beyond our given situations (the facts, or “facticity,” of our lives) into relationships and activities.

- Poverty, ignorance, and oppression restrict our freedom too. Beauvoir was especially concerned with the way that women’s gender roles constrain their freedom.
  - Throughout most of history men have oppressed women and prevented them from exercising their freedom. Women have been doomed to immanence, passively assuming their normal destiny—i.e., marriage and maternity—relegated to dependency on men, and being entirely for-others. They have generally existed as men’s property—initially belonging to the father and then given away to a husband—and not existing as self-governing subjects, for themselves.
  - Constraints can indeed be comforting, since they relieve us of the responsibility for our own lives. It is easier to fall back into expected roles in society rather than to create our own path. For example, a woman who leaves a tyrannical spouse risks poverty and loneliness. She may indeed prefer her golden cage to the risk of being on her own. Beauvoir does not deny that a self-chosen existence can come with a high price, but to be dependent on another is to devalue oneself. It is an exercise in disappointment and *mauvaise foi* (“bad faith”) because it is an escape from justifying one’s own life (because one defaults to another to define one’s existence), and it easily becomes possessive and tyrannical when lovers rely on each other to be their sole reason for being. In the former case, one undermines one’s own freedom. In the latter, one undermines the other’s freedom.
- Even if a marriage begins lovingly, Beauvoir proposes that it is such a perverted institution that it will kill that love. Marriage quickly relieves spouses of “erotic magic” and can suffocate love with a quagmire of habits and hurtfulness. Furthermore, “daily intimacy creates neither understanding nor sympathy” and invites the couple to take each other for granted.
  - Marriage was never supposed to have anything to do with love, and the Romantic attempt to fuse them together has been awkward from the start. The structure of marriage imposes traditional roles on individuals, so marriage compromises each spouse’s freedom. Even when individuals are free to choose whom to marry, societal roles and workplace norms encourage women to place their husbands’ careers ahead of their own.
  - Traditionally, marriage has been marketed to women as their greatest destiny and of such importance that women came to be defined by whether and to whom they

were married. In return for their devotion, women were promised security and happiness. Yet in effect, Beauvoir argues, marriage has been a legally and socially endorsed form of slavery. Wives were expected to perform sexual and housekeeping services in return for a husband's guardianship.

- Men never abandon themselves completely; even if they fall on their knees before their mistresses, they still wish to possess them, annex them; at the heart of their lives, they remain sovereign subjects; the woman they love is merely one value among others; they want to integrate her into their existence, not submerge their entire existence in her. By contrast, love for the woman is a total abdication for the benefit of a master.
  - For women, love is used as a strategy to seek salvation via proxy because she cannot do it independently. She turns love into a religion, worships her lover, and voluntarily becomes a slave by giving up her own world and adopting her lover's friends, interests, and opinions. She aims to merge into an "ecstatic union," obliterating the "I" and becoming a delectable "we." She is happy to annihilate her freedom because her reward will be to share his life and worth. Because she defines herself through him, as he transcends, she feels as though she is realizing herself. It does not matter to her that she is not a sovereign subject herself, since she feels necessary to someone who is, and that makes her feel fulfilled.
- Why must love in marriage fail?
  - As with devotion to a child or spouse, devotion to a lover is not an authentic activity. Adopting another person as one's life project is a strategy doomed to failure because, "She abandons herself first to love to save herself; but the paradox of idolatrous love is that in order to save herself, she ends up totally disavowing herself"
  - Love is disappointing because passion fades. As in marriage, it is easy for lovers to arouse and satisfy one another at first. However, as familiarity extinguishes the fascination and freshness of new love, it becomes more difficult over time to awaken desire. This works against women particularly, since, while female attachment tends to deepen with carnal intimacy, Beauvoir proposes—in an overgeneralization—that "male desire is as fleeting as it is imperious; once satisfied, it dies rather quickly" (SS 699). Once passion fades, Beauvoir suggests that a woman will attempt to secure the relationship with something other than love, such as "tenderness, friendship, habit; or she tries to attach him with solid ties: a child or marriage"
  - Love easily slides into tyranny: if we are free to enter into a relationship, we are free to leave too. And the problem with treating a loving relationship as a project is that it turns other people into means to one's own ends, rather than respecting the other as an end in themselves.
  - "Every adolescent female fears penetration and masculine domination, and she feels a certain repulsion for the man's body; on the contrary, the feminine body is

for her, as for man, an object of desire.” It is understandable that refusing the male body in favor of the female body has been a problem-solving strategy given women’s oppressive history. Beauvoir puts forward a variety of reasons for this, such as that women are undergoing a natural and fleeting stage of their youth, seeking to explore the pleasures of femininity, interested in seeing reflections of themselves, reacting to their disappointment with men, or rebelling against male domination.

- Homosexual relationships are privy to significant advantages over heterosexual loving
  - External pressures—including socially endorsed predefined rules, customs, and conventions—have inhibited them less than traditional relationships. Since marriage has not dictated their structure, homosexual relationships can be sincerer. Furthermore, the similarity between homosexual lovers means that they have less to hide, and therefore experience love in a more authentic way. They can achieve a greater closeness, deeper intimacy, and have a more direct experience of themselves. Less distracted by power struggles than heterosexual lovers (and possibly also male homosexual lovers, on which she is virtually silent), Beauvoir proposes that lesbian lovers can establish a more collaborative and thoughtful reciprocal relationship.

## State Capitalism and Anti-Globalization

### Against State Capitalism

- The Vengeance of State Capitalism:
  - While neoliberalism champions the primacy of private interests, state capitalists embrace state intervention into markets through state-owned enterprises, industrial policies, and similar mechanisms. Historically, private enterprise thrived in the Western economic system). Now, state capitalism is reasserting itself as Xi Jinping exports China’s state-driven development model abroad and anti-globalization backlash empowers governments to intervene in private industries.
- State Capitalism Threatens the World Economy. State capitalism endangers the modern world economy in two ways.
  - First, state capitalism begets tit-for-tat retaliation. State intervention in markets artificially advantages domestic industries, irritating trade partners and encouraging retaliatory measures. Such “cascades” of state capitalism may happen even between allies; for instance, European legislators have slammed the Inflation Reduction Act as unfair and are mulling retaliation. As multilateral organizations like the World Trade Organization come under fierce attack, resolving these disputes will become ever-harder.

- Second, state capitalism promotes dangerous inefficiency. State-owned enterprises are particularly notorious; as imperfect as Adam Smith's "invisible hand" may be, governments' political incentives are far worse. SOEs often facilitate political rent-seeking and act as conduits of corruption. Soft budget constraints and weak competitive pressures frequently drive mismanagement; bloated SOEs in Xi's China are case in point, as is the CCP's politically-motivated crackdown on private-sector entrepreneurs like Jack Ma. States' persistent difficulties in picking the "right" winners, as with Obama's Solyndra debacle, make matters worse. Such "crony capitalism" undermines global growth by awarding bad loans to good friends.
- State Capitalism Threatens US Interests
  - The US remains deeply interconnected with the world economy, so threats to the neoliberal system are threats to the US, as well. Additionally, state capitalism poses two challenges for the US in particular.
    - First, state capitalism hurts US competitiveness. Already, state-owned oil conglomerates like China's Sinopec, Brazil's Petrobras, and Saudi's Aramco have uprooted America's energy giants. That trend is expanding into finance: some 30% of all foreign investment into emerging markets comes from state-owned firms and the explosion of sovereign wealth funds is reducing Wall Street's dominance in global lending.
      - Why are US companies losing out? American firms struggle when their competitors enjoy lavish state-backing—subsidies, cheap loans, lax regulations, bailouts, and political favoritism. That forces the US to make a difficult choice: do you sit idly by—letting state capitalists win—or adopt the very same tactics? Neither choice bodes well for the US' economic well-being.
    - Second, state capitalism undercuts the pillars of the US-led world order. State capitalists are undermining US-dominated institutions like the IMF, replacing free-market capitalism with bureaucratically-engineered "authoritarian" capitalism, and conditionalizing state-backed loans and industrial projects on political subservience to illiberal interests. Indeed, the proliferation of Chinese state-owned firms enables the CCP to weaponize BRI infrastructure programs to America's geopolitical detriment.
      - Moreover, state capitalism—when propagated by power-hungry autocrats in Moscow, Beijing, and Tehran—may undermine the liberal values which have long undergirded the global economy. And as countries become increasingly disenchanted with America's "Washington Consensus" and grow enamored with China's state-led alternative, the US will find its geopolitical adversaries writing the rules of a new economic order.
- "If You Can't Beat Them, Join Them"

- How can the neoliberal order manage these threats? Perhaps the system can rein in state capitalism. But antiquated Bretton Woods institutions will become increasingly vestigial as great power competition between the US and China, heavily featuring economic statecraft, leaves the IMF and WTO paralyzed. Even if not, curbing China alone is a daunting task.
- If neoliberal institutions cannot properly manage the problems posed by state capitalism, how will the US respond? The IRA, Trump–Biden tariffs, and CHIPS Act offer a glimpse of America’s gameplan: the US will fight state capitalism with state capitalism. With US firms reeling from state-backed competition, Washington is under fierce pressure to level the playing field through industrial policies of its own. Paradoxically, then, the US’ efforts to “manage” state capitalism will likely *increase* states’ interference in markets on aggregate—hurting American allies and liberal multilateralism in the process.

### The Anti-Globalization Movement

- Murder on the Liberalism Express
  - American-led neoliberalism is in distress, as evidenced by the US–China trade war, Inflation Reduction Act, CHIPS Act, and Trump’s repudiation of the TPP. Multilateral neoliberal institutions are under attack as anti-globalization sentiments surge worldwide. Political and economic nationalism are on the rise.
  - Discourse mirrors these changes. President Clinton had once bragged about doing “more to open world markets... than at any time in the last two generations.” Yet decades later, Trump denounced Clinton’s NAFTA as having “mad[e] financial elites... very wealthy [while leaving] millions of our workers with nothing but poverty and heartache,” a sentiment later echoed by President Biden, who decried how “the middle class has been hollowed out [with] jobs moved overseas [and] factories closed down.”
  - Anti-globalization attitudes have now spread across both aisles of Congress and both sides of the Atlantic. Euroscepticism climaxed with Brexit. Anti-austerity campaigns and Occupy movements have castigated the “Washington Consensus.” Anti-establishment populists—like Syriza in Greece, Bolsonaro in Brazil, and Vox in Spain—have struck electoral gold in railing against an elitist global order masterminded by multinational corporations.
  - Of course, neither the pro-globalization bias of the 1990s nor the anti-globalization prejudice of the post-2016 era tells the whole story. ‘90s-era liberals were right to champion free trade’s role in economic development, but erred in underestimating the social, cultural, and political consequences of hyper-globalization. Conversely, modern-day critics are justified in lamenting globalization’s many ills—like inequality, job loss, and cultural dislocation—yet struggle to formulate state-driven policies that will fare any better. As such,

governments are indeed over-emphasizing globalization's costs where they used to over-exaggerate the benefits.

- Assessing “Costs” and “Benefits” in a Changing World

- In the 1990s, globalization's advocates argued that globalization would improve economic welfare and protect the rules-based liberal order. Although these arguments underestimated globalization's perverse effects, their frame of reference was clear.
- The world has changed since then. The Great Recession paralyzed the global economy. Debt crises rocked the eurozone. Technological innovation and cultural transformations have changed ways of life. A revanchist Russia and power-hungry China threaten American dominance.
- These differences have changed governments' reference points as *new* concerns, like great power competition, have entered the fold. As such, contemporary governments often aren't *over-exaggerating* globalization's costs—they're simply *redefining* their priorities. Hence, even when governments *appear* to overstate globalization's costs, they're often providing “cover” for 21<sup>st</sup>-century aims, like supply chain independence, that were simply less relevant in the ‘90s.
- Great power politics are case in point. Some might characterize the CHIPS Act as an illustration of the Biden administration undervaluing free trade. That's wrong: the US passed the CHIPS Act to out-compete China in the “chips race” and insulate US supply chains from geo-political turmoil in Southeast Asia. Did Biden “overstate” globalization's costs in doing so? Certainly not. The CHIPS Act simply reflects that the end of “Pax Americana” brings with it a suite of new challenges which require the US to embrace economic statecraft—challenges that ‘90s-era globalization debates couldn't yet fathom. Hence, governments frequently aren't lying about globalization's costs and benefits; they're just re-evaluating the terms of the debate.

- Janus-Faced Anti-Globalization

- The relationship between 20<sup>th</sup>-century pro-globalization advocates and 21<sup>st</sup>-century anti-globalization advocates isn't cleanly linear. Why not? In the 1990s, rhetoric usually matched policy. For example, Clinton endorsed NAFTA in October 1992, and then signed it in January 1994. Similarly, developed and developing countries alike called for trade reform, and eventually compromised in the Uruguay Round talks. In general, governments put their money where their mouth was—and while they surely overstated globalization's benefits, they did so in good faith.
- Nowadays, the story differs: governments publicly over-criticize globalization, yet privately recognize its continued importance. This happens in two ways.
  - First, illiberal policies often (though not always) reaffirm liberalism. For instance, many Tories supported Brexit to facilitate British trade

negotiations abroad. Similarly, Trump weaponized protectionism partially to attempt to move China away from anti-liberal policies like currency manipulation. The Biden administration harbors similar hopes, noting in its Trade Policy Agenda that while “[t]rade can—and should—be a force for good... China [has] uniquely distorted global trade through its economic policies and practices,” such that Biden will continue to “impose additional duties on certain products of China” to force Chinese compliance. These are clear cases where the UK and US undervalued liberalism’s advantages—yet their underlying motives were surprisingly globalist.

- Second, anti-globalization rhetoric is often just that—*rhetoric*. For example, Eurosceptic parties have cropped up across continental Europe (like AfD in Germany and FPÖ in Austria) yet EU integration continues unabated (Moravcsik 2017; Dutta 2018). The fact that Biden’s “anti-trade crusade” is limited to just several highly-strategic industries, like EVs and semiconductors, provides further evidence.
- The 1990s over-did globalization with both talk and action. Now, the anti-globalization talk is all there—but in terms of action, as Rodrik notes, “what we are witnessing is not a collapse of globalization [but] more a reshaping of it.”

### **Competitive Authoritarianism**

- Competitive authoritarianism combines formal democratic institutions with uneven playing fields between government and opposition, per Levitsky. Such regimes abuse state resources, like by dominating media coverage, silencing critics, and even meddling with election results. The 1990s saw competitive authoritarianism arise across Africa, Latin America, and post-communist Eurasia; these regimes superficially democratized to appease Western powers and bolster the ruling party’s legitimacy, but bribery, co-optation, and subtle forms of persecution maintained their power. Yet since then, these regimes have fared differently.
- Internal Structure: The structure of a competitive authoritarian regime affects its longevity in two structural ways:
  - First, single-party authoritarian regimes are “more stable than military regimes or personalistic dictatorships” since party apparatuses can help mediate intra-elite disputes, per Levitsky. Hence, personalist or militarist competitive authoritarian regimes are more vulnerable to democratizing forces. For instance, Milošević’s personalist regime in Serbia collapsed because the SPS lacked mechanisms to prevent elites, like Kninjas commanders, from defecting.
  - Second, single-party competitive authoritarianism is more likely to persist when the ruling party is well-organized. For instance, Benin’s authoritarian regime crumbled by 1990 because the party’s internal structure was in shams, whereas

Mozambique's authoritarian FRELIMO survived repeated economic crises because the party possessed cohesive mass organizations.

- However, exceptions abound. Personalist competitive authoritarian regimes aren't guaranteed to fall, let alone democratize; for instance, Putin's personalist regime remains intact. Similarly, weak parties don't universally fail; for example, the KPRP has ruled Cambodia for decades despite weak party infrastructure and an "inability to attract recruits." Hence, factors beyond structure must influence a regime's trajectory.
- Ideological Cohesion: Competitive authoritarian regimes are more likely to persist when the ruling party is ideologically unified. Two reasons explain this trend.
  - First, ideological homogeneity within ruling parties disincentivizes elites from defecting, since the "expected utility of [remaining within] the hegemonic party" is high, per Magaloni 2001. Deterring such defections promotes authoritarian durability, as defections accelerate democratization by materially aiding opposition parties and signaling to voters that change is possible.
  - Post-conflict authoritarianism illustrates this effect. Authoritarian regimes that emerge from violent revolutions often unify around ideological principles; consequently, they "have survived on average nearly three times as long as their nonrevolutionary counterparts," per Lachapelle. For instance, authoritarianism in Mozambique had its "origins in violent struggle... [which] enhanced ruling party cohesion," as Levitsky writes.
  - Second, ideological cohesion buttresses popular support for authoritarian regimes. In the face of external shocks, ruling parties can appeal to widely-held values. For instance, the authoritarian Communist Party of Vietnam has historically relied on widespread narratives of Vietnamese nationalism. Conversely, Croatia's transition from Tuđmanist authoritarianism to liberal democracy was facilitated by rising disagreement over past military abuses; hence, ideological disputes undermine authoritarian durability. Nonetheless, exogenous factors play a central role in affecting regime trajectory.
- Economic Shocks: Unlike hegemonic authoritarianism, competitive authoritarian regimes rarely ban opposition parties or rig elections, as they must "maintain the appearance of democracy" per Solinger. Consequently, competitive authoritarianism relies on repression, patronage, and co-optation; for instance, Mexico's PRI lavished resources on welfare programs like PRONASOL to maintain popularity and pursued import-substitution industrialization to co-opt rivals.
  - However, economic difficulties undermine a regime's capacity to finance these patronage and repressive apparatuses. For instance, Mexico's peso crisis contributed to Vicente Fox's upset victory over the PRI. Similarly, Kenya's GDP contracted by 3.9% after signing structural adjustment loans with the World Bank,

which pressured Kenya's African National Union to hold competitive elections for the first time since independence (Gertz 2009; Kanyinga 2014).

- Of course, economic hardship *alone* cannot force democratization. For instance, Hungary has been battered with EU sanctions, yet Orbán's authoritarianism persists. Furthermore, even when economic difficulty induces regime change, subsequent regimes aren't always democratic.
- Democratic Backsliding
  - Many competitive authoritarian regimes haven't *always* been authoritarian; rather, many emerged from weak democracies, where public dissatisfaction with novel democratic regimes contributed to democratic backsliding. For instance, competitive authoritarianism "dominated... the Western Balkans... during the 1990s," but faltered after "a move towards democratization in the early 2000s," writes Bieber; subsequently, new authoritarian regimes arose "in the late 2000s" in response to "the failure of reformist governments... [to] establish independent and democratic institutions."
  - Hence, competitive authoritarian regimes rarely follow linear trajectories: some may democratize, but regress back into competitive authoritarianism as strongman leaders exploit anti-democratic resentment. Others may successfully democratize by building capable institutions.
  - **Why does democratization succeed in some cases, but fail in others?** States face differing levels of external pressure to democratize; for instance, Croatia has strong linkages to the West due to its EU membership, which facilitated Croatia's successful democratization. Furthermore, nascent democracies with weak horizontal accountability mechanisms are more prone to the gradual erosion of democratic institutions. Ethnonationalist political discourse may undermine institution-building by heightening polarization. Therefore, a range of factors influence the success of democratization, which, in turn, influences the likelihood of democratic backsliding.

## Labor Markets

- **A More Complicated Picture of Labor**
  - Classic economics views the labor market as free and efficient: employers and employees are mutually codependent. They are therefore free to enter into (or reject) labor contracts as they please. If employees feel they are underpaid, they will find work elsewhere. If companies consistently under-compensate their workers, they will lose labor to their competitors.
    - The real economy is messier than any econometric graph can capture. Employers and employees do not act in accordance with some master "expected utility function;" instead, they behave unpredictably. Markets are imperfect—they're marred by information asymmetries, unintended

externalities, and differences in bargaining power. Let's explore these market imperfections.

- First, labor markets suffer from *power imbalances*. Employees need employment far more than employers need any individual employee. Put differently, if Walmart lays a cashier off, Walmart isn't going to suffer; at worst, it goes a week or two without one of its many cashiers. But that cashier's world is turned upside down. They are suddenly out of a job. They struggle to pay the bills and keep food on the table.
  - This power asymmetry harms workers because they are left with little say over their own treatment. If they speak up, they could be fired. If they mobilize to fight for change, they could be terminated. For instance, that's why many agricultural companies hire undocumented immigrants and then pay them sub-minimum-wage levels—managers know that the mere *threat* of an ICE report is enough to quell any talk of unionizing or whistleblowing, even in the face of horrible working conditions.
  - Structural unemployment further undermines workers' bargaining power. While some unemployment is cyclical (i.e. temporary unemployment caused by recessions) or frictional (i.e. temporary unemployment caused by job relocation), many workers face long term unemployment. That means that low-skill or entry-level job positions have, in effect, a perpetual labor surplus: there is always someone out of a job, and hence always someone seeking work.
- Second, labor markets are plagued by informational inefficiencies. A free market maximizes economic gain only if all participants have good information—in other words, the labor market does its job (matching employers and employees at fair levels of compensation) if both employers and employees are making well-informed decisions.
  - That's rarely the case. Workers are often barred (or heavily discouraged) from sharing/disclosing information about their salaries, which keeps other employees in the dark. Disadvantaged workers might not always know what “reasonable compensation” entails, and can be strong-armed into unfair labor contracts. Even when employees have good information, pressing or urgent needs (like making next month's rent) can force employees into accepting unfavorable employment terms.
- Third, barriers to entry affect efficiency in the labor market. Geography is an obvious barrier. Labor markets can only “sort” the best employees to the best employers if the best employees can actually work for the best employers; when that requires relocation—a prospect most employees are less-than-enthusiastic about—inefficiencies occur. Other barriers may be less visible yet equally harmful. For instance, many young workers struggle to find employment not

- because they are under-qualified, but because they can't compete with the experience of older employees.
- Fourth, labor markets do not reflect social externalities. How so? The labor market views employment as strictly *economic*: your pay scales in proportion to the value you provide. The more valuable your skills, the more you will be paid. The more useful your talents, the more lucrative your compensation.
    - This paradigm ignores the many *non-economic* consequences of employment. Many jobs aren't deemed economically "valuable," yet benefit society tremendously. An investment banker at Goldman Sachs will likely make hundreds of thousands of dollars every year, while a teacher might live paycheck to paycheck. Is that because the banker offers several times more value than the teacher? No! Teachers offer immense value: they train society's next generation, impart a love of knowledge, serve as role models, and enhance democratic institutions. Shouldn't that value be reflected in teachers' compensation? Sadly, it's not.
    - Wages rarely reflect non-economic value. Put differently, wages don't account for *positive externalities*—benefits reaped by society that simple accounting can't quantify. Garbage collectors and custodians keep our streets and buildings clean. Social workers strengthen our communities and help those who are struggling. Nurses and paramedics save countless lives and save us from immeasurable pain. Unfortunately, their wages don't reflect these externalities.
  - Fifth, the micro-institutional foundations of the labor market contribute to bias and discrimination. Countless studies have shown that companies benefit from a more diverse workforce: companies are more innovative, experience higher levels of productivity, earn higher profits, and face reduced turnover.
    - Why, then, do companies continue to discriminate against the disadvantaged? In short, *companies aren't monoliths*. The individual agents responsible for hiring and firing decisions—like mid-level managers and recruiters—have their own prejudices. They might have subconscious biases against female or Black applicants. They might resonate more with applicants who went to the same prestigious schools as they did. When interviewing candidates, they might find a man's assertiveness impressive but frown on equally assertive women.
    - This micro-institutional understanding of labor can also explain other baffling trends in labor markets. For example, why are CEOs compensated so handsomely, even though they add a mere fraction of the value of their salaries? Put simply, executive compensation is heavily affected by non-economic considerations—like the fact that CEOs often have

influence in appointing (and social connections to) the committees that determine their salaries.

- In summary, economic theory alone can't explain the mechanics of the labor market. Perverse social biases disadvantage the vulnerable. Inefficiencies distort the allocation of labor—the right employees don't end up at the right employers. The mistreatment and underpayment of workers is saddeningly common.

- **Why Inefficiencies in Labor Markets Matter**

- Failures in *any* market harm society—and labor is no exception. Why should we care about rectifying these market failures?
- Workers' rights are the primary victim. Asymmetries in bargaining power leave workers at the mercy of their employers. Prejudicial management subjects employees to sub-living wages. Corporate avarice and Wall Street's obsession with short-term profits amplifies firms' incentives to cut costs through any means necessary. All of these barriers are compounded, of course, by other forms of inequality: those who grow up in under-resourced neighborhoods lack access to the educational opportunities that might boost their earning prospects. The victims of racism, homophobia, and sexism face further disadvantage from their predominantly cis, white, male bosses.
- These power imbalances materially harm workers. How so? Poverty assaults human rights. Socioeconomic deprivation breeds housing and food insecurity. Vital services like healthcare are harder to access when household budgets are stretched thin. Mental health deteriorates while rates of substance abuse rise. Children suffer, too, as do interpersonal relationships.
- In turn, poverty becomes self-fulfilling and self-perpetuating. If you can't pay this month's bills, your credit score takes a hit—and makes future loans even more expensive. If you can't afford a visit to the doctor, a minor ailment later metastasizes—and the resulting medical procedure leaves you bankrupt. If you can't find affordable housing, you'll move to poorer neighborhoods, where food deserts, over policing, societal stigma, and underfunded public social services pose further challenges for social mobility.
- Poverty's devastating effects ripple outward and hurt *everyone*. Poverty forces people into crimes of necessity, heightens the risks of teenage pregnancy, and undermines access to the preventative healthcare measures that safeguard public health. Public institutions—welfare systems and hospitals, for instance—find themselves over-burdened and unable to help everyone in need. And in an age of declining social mobility and ever-increasing social stratification, children who grow up poor are overwhelmingly likely to *stay* poor.
  - Hence, unfair labor practices don't just disenfranchise the poor—they also impose negative externalities on society writ large. That means the profits corporations reap from low wages are implicitly subsidized by regular

taxpayers. More importantly, labor exploitation produces needless suffering. As sociologist Matthew Desmond notes, “a living wage is an antidepressant. It is a sleep aid. A diet. A stress reliever... It prevents premature death. It shields children from neglect.”

- There are reasons to care about labor inefficiency *beyond* workers’ rights. Notably, distortions in labor markets reduce economic efficiency. When workers fill jobs that make poor use of their skills, those skills are put to waste. Bloated compensation packages for those at the top—C-suite executives, directors, partners—allocate firms’ resources wastefully; after all, retained earnings are (on average) much better spent on R&D or employee training programs than million-dollar bonuses to multimillionaires.
- Underpaying workers can even hurt companies. Unfair compensation breeds resentment, and resentment decreases employee morale. Moreover, underpaid workers are far more likely to quit, forcing employers to go through the costly process of interviewing candidates, hiring new workers, and training replacements. And the hierarchical nature of the labor system—you have a boss, who has a boss, who has a boss, and so on—stymies innovation. The best ideas often come from the bottom. Why is that? Corporations are plagued by inefficiencies that remain invisible to high-level managers; warehouses might be shipping goods along inefficient routes, for instance. Workers on the ground are the only people who notice those inefficiencies, but this input rarely gets passed up the corporate ladder. Why? These information asymmetries are the consequence of diseconomies of scale. When entry-level workers have great ideas for optimizing efficiency, they have to go through many layers of bloated, crusted bureaucracy to catch the attention of upper-level management. Hence, labor hierarchies (unintentionally) create inefficient feedback loops.
  - “Efficiency” and “productivity” are just buzzwords, but they have tangible consequences. Whether you think corporations are forces for good or forces for bad, they are deeply embedded in the modern economy—providing vital services, selling widely-used consumer goods, and employing millions. Therefore, corporate inefficiencies harm regular people. We pay more for groceries and spend more at the pump. We find it harder to find gainful employment and have fewer options to pick from when purchasing goods. Innovative discoveries and cost-cutting breakthroughs happen less frequently. Hence, labor misallocations, market distortions, and low compensation standards harm companies and undercut the value they provide to society.
- The labor market also has important effects on *politics*. Voters consistently consider “economic issues” to be a top priority; unsurprisingly, then, the strength of the labor market heavily influences campaigns, elections, and coalitions.

- In many countries (particularly in Latin America), unions have tremendous influence in politics; for instance, parties often explicitly align with worker unions to curry favor among voters, and even when unions exert little effect on elections, they still have great lobbying power.
- In sum, Labor markets rarely function perfectly, and the consequences can be dire—and even when systems of labor work just as intended, workers *still* get the short end of the stick. In either case, everyone is made worse off. That's the *problem*. Now the question becomes: *what's the solution?*
- **Unions, Strikes, and Collective Bargaining**
  - Unions have historically been the most powerful tool in the fight for workers' rights. Many of the modern-day labor standards we take for granted (five-day forty-hour work weeks, for example) were made possible only by relentless union activism—strikes, protests, rallies, and riots.
  - Historically, how did unions succeed? The principle of *collective bargaining* was—and still is—central to unions' efficacy. The idea is simple: alone, workers can do little, but together, they have strength in numbers. A single worker threatening to quit means nothing to a factory's boss. Every worker on the assembly line threatening to quit, though, means much more. This “*collective power*” principle empowered workers to agitate for improved labor protections. Higher pay. Shorter hours. Better conditions. Safety precautions.
  - Unions employed other tactics. Violence was often a necessity, as flashpoints like the Haymarket Square massacre demonstrate. Mass protests in the wake of mass tragedies like the Triangle Shirtwaist Factory fire added further strength to the organized labor movement. Mass distrust of “*robber barons*,” deep-rooted hatred of monopolists like J.P. Morgan and John Rockefeller, and surging public support for progressive politics bolstered the cause for labor rights.
  - Modern-day unions continue many of these strategies. Most importantly, collective bargaining allows workers to negotiate their contracts more favorably. Strikes (or even mere *threats* of a strike) can force concessions from avaricious managers. Unions also function as political blocs—endorsing candidates for public office, lobbying state legislatures, coordinating voting campaigns, and financially contributing to campaigns; in this way, unions can push for progressive labor law reform. Even when protective laws already exist, unions enhance regulatory *compliance* by encouraging workers to register complaints with regulators and pressuring managers into complying with OSH (occupational health and safety) standards. Moreover, unions give workers a collective with which to advocate for regulatory or government intervention against workplace abuses.
  - These benefits aren't limited to union members; many empirical studies have confirmed that industries with higher rates of unionization witness better pay for

unionized and non-unionized employees alike. Unions’ “spillover” benefits have many explanations. A strong union presence might induce institutional changes that benefit *all* employees, like enhanced safety procedures on packaging-facility floors. Unions also induce cultural change in the workplace by emphasizing the moral importance of fair pay and worker solidarity. Unions also put upward pressure on wages by changing labor market equilibria: when one firm pays its workers more handsomely (at the behest of a union), workers at other firms have a strong claim to similar pay bumps.

- Here's the big picture. Unions enable collective bargaining and affect change through power in numbers. Unions pressure companies, industries, governments, and regulators to better protect workers' rights. In time, these benefits lift *everyone* up—non-union workers, too.
- **Barriers to Union-Led Labor Reform:** Unfortunately, unions aren't silver bullets. Alone, they aren't capable of fully rectifying the many problems facing the working class. What challenges must unions overcome?
  - First, organized labor (particularly in the US) has been on a steady decline for decades. Nearly a third of the American workforce was unionized in 1955, when the AFL and CIO labor unions merged, but since then, rates of unionization have steadily declined. Now, just 12% of the American workforce belongs to a union—and that rate is even lower (perhaps ~7%) in the private sector.
  - Declining rates of unionization severely undermine union power. Collective bargaining relies on “strength in numbers,” so if there isn't a large mass of workers willing to negotiate collectively, unions have little power to demand change. If unions were so successful in the past, what has changed?
  - Deliberate union-busting has been center stage in the sad tale of union decline in the US. Many consider the Reagan administration's forcible break-up of an air traffic controller strike in August of 1981 to be a turning point in the history of American organized labor; since then, many private employers have openly bulldozed over unions—even hiring new workers during protests and strikes to replace union members. Managers have embraced creative tactics to stifle unions, like reclassifying employees as independent contractors. Many state governments have joined the anti-union fight by passing laws that restrict the right to unionize.
  - Beyond forcible union-busting, the persistent decline of unions has become a self-fulfilling prophecy. For any individual worker, joining a union entails some degree of sacrifice, like paying union dues. Most workers will only make that sacrifice if they believe it'll pay off—in other words, they'll only join a union if they believe that union will have the

power to affect meaningful change. Why does that matter? As union membership drops, unions lose negotiating power. As unions lose negotiating power, would-be union members begin to doubt unions' efficacy. As would-be union members refuse to join, unions further lose power—and the cycle then repeats.

- These factors continue to reduce union participation today. Employers often flood workplaces with anti-union propaganda to dissuade union participation, and also stiffen the administrative, legal, and bureaucratic barriers to organizing unions; recent headline-grabbing union-busting efforts by Amazon and Starbucks are case in point. Additionally, the evolving nature of the modern economy has reduced opportunities for organized labor movements; for instance, the rise of the “gig economy” and the “on-demand workforce” poses new challenges for union organizing.
- Second, putting the issue of declining membership aside, unions are, by nature, *imperfect mechanisms* for labor reform. Why is that? Even when union membership doesn't *decline*, unions may still lack the critical mass of employees needed for collective bargaining to work effectively. Some workers—particularly those who are already well-compensated—see little reason to join a union. Others may be unwilling to fork over union dues. And ideology, too, affects workers' willingness to join unions; empirically, conservatives are (moderately) *less likely* to join unions, often because ideals of “individualism” and “free market capitalism” seem incompatible with union-style collectivism. Hence, the many economic and political motives that deter workers from joining unions reduce those unions' bargaining power.
- Membership is only half the battle; even unions with considerable membership may struggle to improve worker welfare. On its face, this phenomenon seems puzzling. If unions derive their economic and political influence from their size, then surely larger unions must wield great power over employers! As it turns out, that's often not the case.
- For starters, the personal interests of union leaders may be misaligned with the interests of the union. Corruption is an obvious example; bribes and sweetheart deals can turn even the most ardent labor rights activist into a corporate stooge; selfish misuse of union funds for fraud, embezzlement, and racketeering further reduce unions' efficacy.
- Other endogenous factors play a role. Beyond direct abuse, discriminatory trends in union membership further hamper progressive labor organizations: historically, unions have frequently excluded women and Black employees, a saddening reality that persists even nowadays. And

inter-union competition is yet another barrier to reform. While the existence of multiple unions within the same workplace can promote accountability, it also undercuts each union's relative bargaining power.

- Third, unions face an array of *external* threats. The increasing globalization and technologicalization of the economy equip management with a new array of tools—like outsourcing and automation—to clamp down on labor activism. Government opposition to unions (as evidenced by Biden's blocking of a railroad strike last December) constitutes another political hurdle unions must overcome. Worsening matters is the fact that many occupations are explicitly banned from unionizing. And demonization of unions in public discourse, particularly by right-wing media and neoliberal think-tanks, reduces union membership.
- In summary, unions are powerful yet flawed vehicles for reform. The “Golden Age” of unions is likely behind us—partially due to macroeconomic shifts, partially due to declining support for unions, and partially due to increased union-busting. Whatever the cause, unions alone may be ineffective in protecting workers' rights.

#### *UAW Strike*

- The UAW's six-week-long strike ended after Shawn Fain's union struck tentative deals with Detroit's Big Three automobile manufacturers—General Motors, Ford, and Stellantis (which owns Ram, Jeep, and Chrysler). The deals raise pay by 25% across the board over the next four years and guarantee cost-of-living adjustments; entry-level workers will fare even better, with wages rising by as much as 68% at Ford alone. The UAW's success will benefit not only Detroit's unionized employees, but also the Biden administration (which publicly backed the strike and even saw Biden attend a UAW picket line) and employees at the Big Three's battery factories throughout the Midwestern region (who are covered by the new deals). Fain has promised to broaden the fight to non-unionized auto plants at EV giant Tesla and foreign manufacturers like Toyota, Honda and BMW with large non-unionized presences in the US; analysts suspect those firms may preemptively offer raises to their workers to heed off future strike action and undercut Fain's rhetorical attacks on corporate greed. Pessimists fear that the deal will force American auto manufacturers to raise prices and will slow the transition to electric vehicles. Non-Big-Three auto plants fear they'll be Fain's next target; in his speech announcing the deal, Fain proudly cried that “one of our biggest goals coming out of this historic contract victory is to organize like we've never organized before.”

- **Progressive Labor Laws**

- *Power imbalances* are the simplest explanation for why unions fail: if an employer wields more power than employees (and their union), the employer's hunger for profit will trump the employees' desire for fair treatment. Naturally,

where unions fail, a more powerful actor may be required to intervene on workers' behalf. *And who better to fill that role than the government?*

- Governments have several obvious advantages over unions when it comes to protecting workers' rights. Most obviously, they possess greater coercive power. Unions can *pressure* employers (through strikes and protests) into reforms, but governments can *mandate* those reforms outright; for instance, a union might advocate for improvements in workplace safety, while government regulators can mandate safety standards. Not only are government-imposed labor laws (like minimum wages and mandated healthcare benefits) harder to sidestep than collective bargaining agreements, they are also more universal in their coverage: unions secure benefits primarily for their members, but laws protect *all* workers—or, at the minimum, a substantial *majority* of workers. This universality matters tremendously in market economies (like the US), where companies are reluctant to protect workers' rights for fear of losing the comparative advantage they have over rival firms; hence, industry-wide regulation ensures all firms face similar increases in labor costs, reducing that concern. Additionally, governments are also better resourced than unions, which are reliant on members' union dues and continued membership, while also bypassing the misaligned incentive problems that plague unions.
  - Unsurprisingly, then, progressive labor laws have played a critical role in enhancing worker welfare. But just like unions, government-led approaches to labor rights face many challenges.
- **Barriers to Government-Led Reform:** Many of the challenges facing labor unions are also faced by progressive labor laws. But government-led approaches to labor rights must overcome additional—and significant—hurdles. What are they?
  - First, governments' incentives are far from perfect. Just as corporations can bribe union representatives, they can heavily lobby against labor regulations and fund the campaigns of anti-labor candidates. Politicians may be reluctant to strengthen labor laws, fearing corporate blowback and capital flight out of their state.
  - These pernicious incentives extend well beyond legislative halls, where lobbying and special interest groups run rampant. Regulation means little if it isn't enforced, which means that the successful functioning of regulatory bodies (like the National Labor Relations Board and the US Department of Labor) is crucial. But these bodies don't always have optimal incentives. Lobbying can influence these bodies (a process known as "regulatory capture"), and regulators often leave the public sector for lucrative private-sector careers, where their insight into the regulatory

process gives corporations considerable ability to evade protective labor requirements (a process known as the “revolving door” effect).

- Additionally, government bodies may lack the appropriate means to ensure compliance with labor laws. Regulatory agencies are often underfunded and under-resourced: they don’t have the manpower or the budgets to monitor millions of complex labor contracts and ensure regulatory compliance.
- Second, regulation becomes “an arms race,” with corporations having a considerable advantage. How so? Companies have every incentive to find technical loopholes in legal codes—and their armies of well-paid corporate lawyers ensure that those loopholes are found. As companies exploit these loopholes, regulators scramble to adapt, amending laws and adjusting regulatory standards. These patches come with delays, as well as a new suite of loopholes waiting to be found.
  - This “regulatory arms race” structurally favors corporations. Not only will profit-seeking employers always find ways to skirt the law—reclassifying employees as contractors, for instance—the incentive to *subvert* the law is nearly always stronger than the incentive to *enforce* the law. The manager who finds a clever way to reduce labor costs is rewarded with a multi-million dollar bonus; the bureaucrat who finds a clever way to patch that gap gets far less of a reward.
- Third, even when regulations aren’t riddled with loopholes and regulators aren’t undermined by bribery or shoestring budgets, regulations may still fail if compliance with the law is merely *superficial*. An employee can be strong-armed into accepting an illegally sub-minimum wage, even while the employer reports a legal wage to regulators. If workers don’t report workplace violations, employers won’t face repercussions for their infractions, as all seems well to state regulators.
- Therefore, even the toughest regulations require extensive monitoring and reporting to work. That’s no easy feat. Corporations can all-too-easily intimidate employees into silence. Cynical distrust of state institutions, particularly amongst historically marginalized communities, may dissuade victims from coming forward to labor authorities. Even when labor laws are strong, the fear of termination is a powerful disincentive for workers to report infractions.
- Regulations also entail unintended consequences. Most obviously, regulations impose indirect “compliance costs” on companies; not only must companies *comply* with regulations, they also must *document* their compliance—paying accountants, hiring auditors, filing paperwork, and

overhauling bookkeeping systems. These compliance costs add up, and can be particularly harmful for smaller-sized enterprises; large conglomerates like Walmart can easily absorb these costs, but local businesses cannot.

- Adverse consequences can be more dire. If companies find rising labor costs to be unaffordable, they might slash jobs or raise prices on consumers. Even if companies don't *need* to enact these changes, they might do so anyway—and use labor reform as the convenient scapegoat for their profiteering.
- Fourth, government-imposed regulations are subject to the vicissitudes of politics. Passing labor laws is an uphill battle, and the political horse-trading involved necessitates unsavory compromises. Robust labor laws can be passed today and repealed just months later. Congress can slash regulators' budgets and gut bureaucrats' power to enforce the law.
- In conclusion, entrusting the government to protect workers' rights can be foolish. The importance of money in campaigns means that corporations can effectively buy elections. The rise of the "shadow Congress" and special interest lobbying means that democratic systems all too often shirk the interests of the masses. Bolstering progressive labor laws is a step in the right direction, but still woefully insufficient.
- **Collective Ownership, Nationalization, and Cooperatives**
  - Unions and labor laws offer *incrementalist* reforms—working within the system to safeguard workers' rights. By contrast, collective ownership offers a more radical approach. Economic collectivization aims to change the structure of ownership such that common workers, rather than wealthy elites, call the shots. The reasoning is simple: to eliminate the underlying cause of workers' exploitation, we must abolish systems of profit-driven private ownership.
  - This redistributive principle can take many forms. Full-scale Marxism is perhaps the most extreme version. Many schools of Marxist thought exist—each prescribing different solutions to the *proletariat* struggle against the *bourgeoisie*—but they share similar goals. Seize the means of production. Abolish private property. Reorganize society around the masses. When successful, these anti-capitalist proposals can free workers from the oppressive dynamics of modern-day capitalism.
  - However, few countries—least of all the United States—have embraced this revolutionary vision, and for fair reasons. Central economic planning, a hallmark of many socialist regimes, can lead to wasteful resource allocation, shortages of essential goods, and excess concentration of power in the hands of authoritarian elites. Land redistribution, in particular, can entail unforeseen consequences, including mass famine, as in the case of Zimbabwe under Robert Mugabe.

- Collectivism can also take *less* extreme measures. In many countries (like Germany and Sweden) employees of large companies are entitled to substantial representation on corporate boards; this practice is known as “codetermination.” In other countries, governments directly assume control of vital industries and employ workers directly; this process is known as “nationalization.” State-owned enterprises parallel private companies owned by their workers; these firms are known as “worker cooperatives.” These *moderately* collectivist solutions to labor exploitation offer many upsides. Workers have a say in how companies are managed. Executives’ greed is balanced against workers’ humanity. Employees are given a platform to air their grievances.
  - Nonetheless, each of these approaches have their downsides. Employee representatives on corporate boards may lack sufficient power to affect change, are easy scapegoats for corporations to blame during downturns, and can be easily manipulated by unscrupulous shareholders; furthermore, codetermination can also indirectly harm workers by reducing firms’ productivity. Outright nationalization has its own shortcomings. State-owned firms frequently become vehicles of state corruption. Bureaucratic red-tape worsens state-run firms’ productivity and innovativeness; a dearth of private-sector competitors exacerbates these concerns. Politicians’ short-term electoral incentives often result in poor-quality management, thereby hurting workers in the long term. Worker co-ops avoid many of these problems; still, worker-owned firms have been criticized for (surprisingly!) paying sub-market wages—largely because co-ops tend to cut employees’ wages, rather than use mass layoffs, during crises—and for failing to adjust wage ceilings to the evolving needs of rapidly-changing industries.
- **Unions, Laws, and Collectivism in the Post-COVID Era**
    - There is no simple solution to the many problems facing workers, and the major vehicles used in the fight for labor rights rely on different mechanisms to create change. Unions give workers the power of collective bargaining. Labor laws require companies to treat workers fairly. Systems of collective ownership reorient the very structure of employment to give workers direct influence.
    - As workers continue the struggle for proper treatment and compensation, the dynamics of the American labor market are changing rapidly in the pandemic era. Many jobs have shifted from in-person offices to “work-from-home” arrangements. The surging labor demand that accompanied the re-opening of the economy gave workers tremendous bargaining power, putting considerable *upward pressure* on wages. The pandemic renewed public interest in unions; the rise of the anti-work movement is case in point.

## **International Political Economy**

### **IPE, Defined**

- International political economy focuses on the interaction of economics and politics within international relations, as great thinkers like Adam Smith and Karl Marx have examined. Economic liberalism (e.g., the Washington Consensus, open and integrated markets) constituted the dominant post-Cold-War consensus, but the success of China's state-led development, the collapse of the US financial system, and internal and external backlash against globalization undermined that consensus.
  - Trump and Biden have embraced economic protectionism, reversing decades of US support for free trade; “foreign policy for the middle class” is a euphemism for “America First.” Biden has escalated tariffs on China, enacted “Buy American” procurement policies, and passed the CHIPS Act and Inflation Reduction Act.
- Globalization has been alienating. As the “elephant curve” highlights, well-educated Western elites and the Chinese middle class have fared the greatest, but the *American* middle class has suffered from stagnating wages.
  - IPE features a struggle between states and markets: *which will prevail?* The era of mercantilism saw states control and regulate markets. Britain’s era of global liberalism saw markets operate with little state intervention; prosperity rose in tandem with inequality. The interwar period, marked by the world’s darkest economic collapse, saw the resurgence of state dominance of markets. The postwar period has seen the primacy of markets under the tutelage of American leadership; yet now, economic nationalism is on the rise.

### Economic Nationalism

- Per economic nationalism, states dominate markets. States act to maximize relative power and security, since economic power yields military power and in an anarchic international environment, states must maximize their relative position; sometimes, states agree with private businesses (e.g., F-16 fighter jet contractors), but they often disagree (e.g., curtailing trade with China). Economically nationalist states can compromise (e.g., “friend-shoring”).
  - The era of mercantilism lasted from the 16<sup>th</sup> through the 18<sup>th</sup> century. In that multipolar world, countries needed strong armies and navies, which required wealth (and hence, a positive trade balance); importing less and exporting more led to a net *positive* gold flow into the country. Naturally, surpluses are zero-sum, so mercantilism stunted international trade.
- Neo-mercantile attitudes are now on the rise; many countries fear economic dependence (e.g., the US’ reliance on Chinese-mined rare earth minerals and China’s dependence on the Malacca Straits). Economic nationalism prescribes policy solutions to support domestic producers and increase industrial output. Infant industry protections nurture new firms before they get strangled by established companies. “Buy National” policies empower governments to procure domestic goods (e.g., Xi’s “Made in China 2025” has

focused on biotechnology, electric vehicles, machine learning, etc). Coercive extraction provides resources; Japan's resource depletion led to Manchuria's occupation. Alexander Hamilton's 1791 *The Report on Manufactures* emphasized the state's role in economic diversification and the importance of a strong central bank.

- Economic nationalists favor protections, not protectionism: the government should be a gatekeeper and safeguarding strategic industries. Of course, this approach hampers international cooperation—and suggests that economic change, which is a disruptive force, might lead to geopolitical conflicts.

### Marxism

- Marx laid the groundwork, but Lenin's *Imperialism: The Highest Stage of Capitalism* applied Marx's theories to international relations, hence giving birth to Marxist–Leninism. The crisis of globalization has encouraged retrospective criticism of the global neoliberal order, and that's lent credence to Marxist arguments; after all, Marxists claim to have *predicted* recent crises, like the GFC. Marxism is back as an intellectual project.
- Marxists reject liberals' faith in harmonious interests and the "invisible hand" of the market. Capitalism is violent and coercive. Coercion and domination are essential elements of the system. Desires to accumulate wealth require exploitation and social conquest. Capitalism fetishizes production for production's sake.
- For Marxists, the *capitalist class* is a transnational community with unified interests; consider the Davos Forum. Such capitalists seek to preserve the rules of the game; hence, states are the "executive committee of the bourgeoisie." While liberals view the state as a "night watchman," Marxists view the government as a tool of the owners of capital.
- How can we explain imperialism, colonization, and indirect rule (e.g., the Scramble for Africa)? Realists point to great power competition. Liberals struggle; Joseph Schumpeter blamed imperialism on *too little* capitalism. But for Marxists, imperialism is the ultimate progression of capitalism. Capitalism leads to concentrated monopolies; as profits fall at home due to under-consumption in core states, capitalists look abroad. To avoid competition with other states, capitalists seek exclusive control over territories—hence leading governments, under capitalists' control, to militarily colonize the periphery.
  - Under this Leninist paradigm, wars are caused by capitalists' need for territory. Per the Law of Uneven Growth, some countries grow fantastically wealthy, while others stagnate. Some states rise while others fall. This process begets conflict—and eventually, the very system of capitalism self-exhausts through these endless wars.
- Lenin's theories struggled after WWII. First, the rise of Keynesian *countercyclical fiscal* economics allowed governments to correct for underconsumption; Leninist thinkers responded that governments did so to preserve the capitalist system. Second, the rise of

multinational corporations allowed for capital to nimbly and organically relocate; this internationalized capitalist system had strong anti-war interests (e.g., Apple and China).

- Leninist theories note that capitalism leads to selective development. Since capitalism is exploitative, states in the periphery never develop but instead are dominated by powerful, capitalist states: the game is rigged.
- Since the dissolution of the USSR and the end of the Cold War, globalization has been on the rise, but perhaps for the worse. Redistribution during the New Deal era was replaced by deregulation and globalization, leading to the concentration of wealth. That led to crises—the Great Recession, the Asian Financial Crisis, etc. Liberals said these were bugs in the system; Marxists said the system *creates* crises. No matter which school of thought is right, capitalism *is* in a state of near-permanent crisis, and solutions are temporary. Class conflict may not lead to capitalism's abolition, but certainly explains why the rich get richer, but the poor do not.

### Hegemony

- Does a liberal international economic order, characterized by the free flow of goods, services, investment, and technology across borders, require hegemony? Globalization is the very *peak* of this order and greatly intensifies integration. The consequence has been unprecedented prosperity, but also unprecedented inequality. Nonetheless, if the alternatives are mercantilism or isolationism, then globalization may be our best bet.
- IPE relates the international *political* order to the international *economic* order. The international order may have powerful states, middling states, and peripheral states. A hegemonic order features one dominant state and many lesser states; this may be the condition for a liberal world economy. Per Adam Smith's "invisible hand" conjecture, hegemonic world politics (realist theory) must provide a foundation for a liberal economic order (liberal outcome).
  - Of course, "hegemony" is imprecise. Is the US still a hegemon (~35% share of GDP post-WWII)? How much of a gap must there be? And how do we measure hegemony? Purchasing power parity adjusts GDP statistics to account for undervalued exchange rates—and under a PPP metric, China passed the US around 2016.
  - Size alone may not be enough. Stagnant, technologically underdeveloped economies may not be dominant; *dynamism* is important. What about the military? Japan in the 1990s lacked a military, as does the EU today.
- *Why* does hegemony lead to economic liberalism? First, dominant states desire an open world economy. Economies have export-import interests: open markets allow exporters to sell abroad, but imports can destabilize the domestic economy by displacing home markets; that is politically damaging. But highly productive, highly competitive, dominant states are less sensitive to the *import* effects of free trade. Hence, hegemonic

states benefit more from exports than they are hurt by imports. Second, dominant states may have an ideological preference for liberalism.

- Unfortunately, states tend toward selective protectionism; they want access to other countries' markets, but to protect their weaker sectors at home. Hence, left to their own devices, states are *open where they are strong* but *closed where they are weak*. This is a prisoner's dilemma: each countries' dominant strategy leads to a non-optimal outcome. Liberalism requires force.
- *How does hegemony lead to economic liberalism?* Carrots and sticks. British "gunboat diplomacy" forced countries to trade. America forced isolated Japan to open up, prompting the Meiji Restoration. But coercion is costly; positive incentives are preferable. Hegemons should be "system managers." They must maintain an open market of first (and last!) resort—trading even during times of crisis. They must provide a medium of exchange, like the US dollar. They must provide development assistance to assuage underdeveloped economies' fears of being out-competed. They must offer crisis management to keep states from closing their markets.
- One dominant power is needed for a liberal international order. Mercantilism dominated the 17<sup>th</sup> and 18<sup>th</sup> centuries, when the world lacked a hegemon. But the era of British hegemony ("Pax Britannica") permitted a more open system. As Britain declined, the world economy moved towards closure—and the interwar period, lacking a hegemon, saw the collapse of the world economy. The postwar era, dominated by US leadership, has seen a fruitful, liberal world economy.
- The US had historically been an unambiguous champion of the liberal world economy; now, that attitude is changing. Protectionism is a bipartisan consensus, as Trump, Sanders, Clinton, and Biden mutually acknowledge. How can we explain this shift?
  - The US may no longer be a dominant hegemon. The US isn't the world's dominant economy, suffers from lagging productivity, and has shifted from a net creditor to a net debtor. Yet this seems unconvincing: the US possesses many hegemonic assets (e.g., dollar hegemony), the world's largest economy (24% of the world's GDP), and a flourishing technology industry.
  - Domestically, there is decreasing domestic support for an open world economy. Labor and environmental activism is on the rise against free trade. Since the GFC, globalization has been seen as elitist. America's openness has been exploited by China. Globalization's "race to the bottom" is degrading and promotes inequality—not a "liberal euphoria," as the 2008 bailouts highlight. Waning *domestic* support in the US for global openness has made the US hesitant to enforce the system. Let's ask: *are there substitutes for the US' global leadership? Can we have a liberal order without hegemony?*
- Collective leadership: multiple countries (like the G-7 or G-20) can act as collective leaders, with greater diversity than a single hegemon. However, that may lead to free-riding.

- *International institutions*: clearly, institutions like the GATT, WTO, and IMF are set up by hegemonic powers—but they then take on a life of their own and create behavioral expectations. Still, their decisions, lacking enforcement power, may be largely symbolic. And even if technocrats continue running the playbook, institutions may face international retaliation (e.g. the US blocking the appointment of WTO dispute judges).
- *Private economic interests*: large MNCs (like IBM, GM, and Apple) have the influence to push for standardization and liberalization. Ideas, too, may be powerful on their own.
- Now, the US isn't willing to play a leadership role—perhaps because it lacks the capability or because it lacks the domestic political will. Collective leadership, international institutions, and powerful private corporations are, individually, pillars for the liberal economy, but cannot singlehandedly replace the crucial role of a single power. Still, the liberal world economy has momentum and inertia; lacking hegemony doesn't lead to collapse. The US' withdrawal from the TPP led to Japan stepping up.
  - The system risks a *gradual* decline—led, in part, by the US. Consider how both the US and China are subsidizing state industries and propping up industrial conglomerates. Additionally, political, economic, and military crises could threaten the system. Perhaps the most important role of a hegemon is keeping the political system internationally stable—security is like oxygen.
- During the Mexican Debt Crisis, Mexico—with about \$80B in outstanding loans—lacked foreign currency and needed emergency financing. The US couldn't simply force banks to lend; a solution had to be arranged. As the US worked to stabilize Mexico's financial predicament, Mexico expressed reluctance to surrender sovereignty to America.

### Historical Hegemony

- Recurring financial crises in Mexico—such as in 1982 and then again in 1985—prompted a regional trade agreement, NAFTA (now the USMCA), to draw Mexico into an interdependent relationship with the US to deflect future crises.
- In the early 1800s, France posed the greatest threat to Britain, particularly with the rise of Napoleon after the French Revolution. Napoleon's use of universal conscription, nationalism, and mass mobilization allowed France to control the European heartland and challenge British naval power by amassing economic strength. Moreover, France—a mercantile power with control of the “Continental System” blockade across Europe—threatened British commerce. But Napoleon’s ill-fated invasion of Russia contributed to the downfall of the French Empire and the Concert of Europe, which loosely maintained territorial integrity in Europe for the following century.
- With the French threat eliminated, Britain became a global hegemon, with an empire spanning the entire world. As a country with “no permanent allies or enemies, but permanent interests,” Britain’s influence exploded. The First Industrial Revolution gave a tremendous advantage to British industries, particularly with textile manufacturing, coal, and steam engines. Yet before Britain could force the *world* to liberalize its trade barriers,

Britain *itself* would have to embrace free trade. Centuries of mercantilism had created landed, aristocratic interests that vociferously opposed free trade. Only with the expansion of suffrage and the repeal of the Corn Laws did Britain finally embrace export-driven industrialization; still, there was considerable lag between “hegemony” (1815) and “global free trade” (1860).

- Britain expanded free trade internationally in three ways. First, Britain used *coercive imperialism* (e.g., “gunboat diplomacy”) to force free trade agreements on countries like Gambia, Morocco, Turkey, and Sierra Leone. Second, Britain used its domestic markets to incentivize foreign countries to open *their* markets, such that free trade interests could overwhelm protectionist interests. Third, Britain fused geopolitics and free trade (e.g., the Cobden–Chevalier Treaty).
- Between the 1860s and WWI, most countries pegged their currencies to gold, which meant that paper currency had a corresponding fixed price in terms of gold (e.g., 1£ was \$4.86). The gold standard preserved price stability by imposing fiscal discipline on governments and increased predictability in international trade. However, the gold standard led to ugly adjustment processes as countries with trade surpluses and deficits adjusted to inflows and outflows of gold; still, the gold standard reflected a *laissez-faire* conception of capitalism and allowed Britain, the “world’s banker,” to lubricate the world economy with credit. France’s central bank played an important role, too. However, the gold standard would be inappropriate nowadays; our money supply would have to contract dramatically to match our gold supply.
- Britain cajoled, bargained, and coerced other states into accepting free trade—but Britain later declined, a phenomenon with deep relevance to America’s (supposed) contemporary decline. Under “Pax Britannica,” the world economy experienced a “golden age” of liberalism: mutual interdependence, trade, reduced tariffs, capital flows, infrastructure development, and *de facto* globalization. The US, still on the periphery, benefited considerably from Britain’s “liberal world economy,” because as the US population ballooned, American industries began exporting and shipping far more to Europe. But the US was a free rider, keeping its own markets heavily protected, even as it enjoyed open access to foreign (open) markets. And while the US wasn’t a traditional colonial power (e.g., not participating in the Scramble for Africa), the US spread across the North American continent, waged war with Mexico, and drove Spain out of Cuba and the Philippines.
- By the end of the 19<sup>th</sup> century, economic liberalism was on the decline. Deflated food prices (caused by excessive supply) caused a nearly twenty-year long recession, which led to a deflationary spiral; as growth slowed, political demands for protectionism rose. Perhaps more importantly, the rise of Germany (after the 1871 unification of largely Prussian principalities and successive Prussian victories over Austria and France) posed a grave threat to British power as a massive nation-state in the heart of continental Europe. Even worse, Germany’s economy—led by Friedrich List—embraced economic

nationalism and called for the “marriage of iron and rye,” or industry and agriculture. This closely parallels the modern-day rise of China!

- As Germany rose, Britain declined, with its global share in manufacturing sinking from 32% in 1870 to 14% in 1913. Technological diffusion led inevitably to Britain’s advantages in industrial technologies spreading around the world. Additionally, “backwards” economies benefited because they didn’t have to sink tons of money into the high upfront costs of research, development, trial, and error. And Britain’s high-wage, middle-class environment created an arbitrage opportunity—companies should produce abroad and sell back, especially given the “corrupting influence of affluence.” The Second Industrial Revolution (e.g., in steel, electricity, and chemicals) was concentrated in Germany and the US; again, this parallels the modern era, with the US and China competing over semiconductors, artificial intelligence, machine learning, green energy, and biotechnologies. Worst of all, as Britain spent more on private consumption and the British military, its *investment capacity* fell; for instance, Britain’s war against the Dutch in South Africa was hugely expensive. That meant *foreign* investment soared by 250%, and while British economic nationalists like Joseph Chamberlain warned that Britain was losing its competitive edge, Britain permitted the markets to keep running their course.
- How does Britain’s decline compare to America’s modern-day challenge?
  - In both cases, the US and Britain invested heavily in foreign countries. Both saw surging consumption and spending on defense. Technological diffusion (e.g., IP theft) occurred for both. But the US responded with protectionism, unlike the British. The US has a network of enduring allies, unlike the British. The US is still a technological power, unlike the British. The US receives a net inflow of immigrants and wields considerable *monetary* power (and isn’t on the gold standard).

### The Depression

- The 19<sup>th</sup> century was the “golden age” of the liberal world economy. But the interwar period was disastrous: trade stopped, capital didn’t move, exchange rates became weapons, the international economy fractured into regional blocs, and enemies in the marketplace became enemies on the battlefield.
- Charles Kindleberger had developed the “theory of hegemony” and the “benign” elements of system-management (e.g., stable monetary unit, trader of last resort) claimed in *World in Depression* that after WWI, Britain was willing to lead but not able, while the US was able but not willing to lead: economic nationalist forces at home favored non-internationalism and internationalists were in the minority. Business was divided: competitive industrialists and banks wanted America to involve itself in Europe’s recovery process, while nationalists (especially in agriculture) preferred protection in home markets. The Federal Reserve, State Department, and Treasury sided with the internationalists, but Congress and the Commerce Department favored the nationalists.

Of course, the distinction between “willing hegemons” and “unwilling hegemons” complicated Kindleberger’s argument, so his theory about hegemonic capabilities stumbled over the interwar period.

- The interwar world order was crippled by years of attrition wars; factors of production were exhausted. More importantly, war requires government intervention: governments ration supplies, restrict exports, etc. This intervention doesn’t disappear post-war, laying the foundations of economic nationalism. Additionally, since many armies were universally conscripted, the soldiers who returned home demanded social security, jobs, and healthcare; these demands formed the basis of the welfare state. The combination of agricultural imports and the revitalization of European farmlands led to agricultural surpluses. Political instability spread throughout Britain and France (in states of recovery), Russia (in the midst of the Bolshevik Revolution), Germany (in a state of devastation), and the US (in a state of isolationism). Making matters worse was a series of disastrous policy decisions:
  - *Capital flows*: money should flow from areas of surplus to areas of scarcity, yet the “war guilt” reparations clause reversed the efficient flow of capital (which Keynes’ *The Economic Consequences of the Peace* rightfully criticized). The US tried to negotiate a resolution (e.g., stretching out war debts), but France vetoed the proposal and instead occupied the Ruhr to collect reparations payments. Charles Dawes proposed that well-capitalized American banks, led by JPMorgan, could lend to Germany, which could then pay France. However, the stock market crash in 1929 brought the Dawes Plan to an end. American banks, in a state of crisis, refused to lend/invest overseas. Then, the US tried to “discipline its undisciplined markets” by raising rates, halting speculation, and balancing budgets. This ill-fated rejection of Keynesian countercyclical spending doomed the global economy.
  - *Trade policy*: on the heels of the “Roaring Twenties,” the US passed the Smoot–Hawley Tariff Act, a product of congressional logrolling and protectionism. Despite outrage from economists, industrialists, and foreign allies, Hoover signed the bill into law in 1930, triggering waves of “cascading protectionism.” The resulting downward spiral in international trade was ruinous.
  - *Monetary policy*: stable exchange rates had historically promoted trade, but during WWI, many countries had jettisoned the gold standard. In 1926, Britain rejoined the gold standard, but at an unhealthy rate (£1 worth \$4.86). Gold flowed out of the British economy as other countries traded their (overvalued) pounds for gold, forcing Britain to contract its economy; the resulting economic pain caused the 1926 Great General Strike. Later, in 1933, the US abandoned the gold standard because the New Deal embraced pump-priming stimulus, intended to increase the American money supply. Without the gold standard, countries embraced *beggar thy neighbor* policies, whereby they devalued their own

currencies; this drove a competitive devaluation spiral. After all, *government behavior is a rational outcome of irrational special interests.*

- *Regional trade:* Britain set up the sterling bloc, France set up the Franc bloc, Germany and Japan intensified trade relations, and the Soviets turned inward. Only with the Bretton Woods system did this problem come to an end.
- The Great Depression taught many lessons. First, integrate the losers of the last war; don't try to pacify or quash them. Second, keep markets open, even when times are tough; reject parochialism. Third, move capital where it is in demand; don't let capital markets dry up, even if that means you overheat the economy. Fourth, embrace Keynesian countercyclical spending.

### Trade Policy

- Article I, Section VIII of the US Constitution delegates trade policy to Congress; there's no ambiguity. Hence, for most of American history, Congress dominated trade policy, as the Smoot–Hawley Tariff highlights; in fact, before income taxes were established in 1913, most US spending was financed through tariffs-at-the-border. However, the Reciprocal Trade Agreements Act of 1934 delegated authority to the President to conduct trade negotiations and set tariff rates, so long as other countries reciprocally opened their markets. Since then, the President and Congress have shared authority over trade policy, unlike other countries where control is unilateral (e.g., the Ministry of International Trade in Japan or the role of Brussels in EU trade policy). This bifurcated approach gives the US President unusual leverage, but also makes coordination difficult.
- Trade Promotion Authority (“TPA”) legislation, enacted in 1974, further overhauled the US approach to trade negotiations. The US President must establish clear trade objectives and communicate frequently with Congress—and in exchange, Congress promises to vote up or down on trade agreements, without amending power. Since then, Presidents have requested TPA authorization from Congress. Clinton requested TPA after passing NAFTA in 1993, but was rejected. The Bush administration only received TPA after 9/11. The remaining years in Obama’s TPA, intended for the TPP, were used by Trump to renegotiate NAFTA into USMCA, which changed labor regulations to bolster American manufacturing.
- After WWII, internationalists won out over nationalists. American financial and industrial firms were powerhouses and had strong interests in global free trade—and American policymakers believed that free trade promoted much-needed peace. The US first wanted to create a massive free trade agreement, known as the International Trade Organization, via the Havana Charter. Developing countries demanded stable commodities prices and infant industries; while the White House was amenable to these requests, Congress was not. Instead, the US settled for the GATT (General Agreement on Tariffs and Trade), in which two dozen like-minded states agreed to reciprocally cut tariffs. In turn, these cuts would become non-discriminatory because all other *most*

*favored nations* would get equivalently low tariff rates. Hence, the GATT used bilateral trading agreements to advance multilateral trade via MFN status and bilateral tariff cuts; most countries preferred this system over regional trade blocs, which had failed disastrously during WWII. However, while the GATT massively reduced tariff rates (down from ~40%), few developed countries joined the system.

- Emerging from WWII, the US was the world's unquestioned supreme power—and it had strong interests in a global system of free trade. The US conditionalized loans to Britain and France on ending their imperial trade preferences. The US forcibly reoriented (West) German and Japanese trade patterns. The Soviet Union, asked to abandon communism, didn't join the system.
- Importantly, two major industries were left outside the GATT's purview: agriculture and textiles. For instance, the US imposed quotas on foreign textile producers, and the US ensured that free trade rules didn't apply to American farmers, especially in inefficient industries (like sugar and peanuts). To the US, some industries were too politically sensitive to be subjected to free trade; to sell free trade politically at home, a compromise had to be made. The West's hesitance to open its agricultural industries has irritated developing countries.
- Over time, the US became less competitive in other industries—in part due to the diffusion of technology and the rise of newly industrialized countries, like Malaysia, Taiwan, and South Korea. To save face, Congress demanded that the President crack down on sensitive issues (like international intellectual property violations), protect exporting industries, and pass anti-dumping legislation. The goal was to limit “unfair trade practices.” US Presidents deflected and managed domestic protectionist pressures; they sat between domestic political demands and the need to advance free trade forward.

### America, Changing

- Prior to Trump, Presidents had a two-sided role: impose protectionism selectively, but advance free trade. The US Trade Representative would “open markets through a handshake or a chrome bar.” The GATT system cut tariff barriers from 40% to 10%. By the 1990s, over 100 countries had joined the system—a system which *succeeded*. But the system has crumbled since then; new multilateral deals have stagnated.
- Policy substance has shifted. Initially, trade deals focused on *tariffs*; that problem has since been reduced. Non-tariff barriers *behind the border* are the real problem—and they are deeply embedded in the practices, institutions, and political economies of different states. Examples include health and safety standards (e.g. beef growth hormones, aluminum baseball bats, child labor regulations), environmental standards (e.g. US tuna fishing standards), cultural norms (e.g. French film against Hollywood), investment restrictions (e.g. Chinese technology-sharing requirements), and customs procedures (e.g. Japanese car processing in France).

- Non-tariff barriers (“NTBs”) are substantially harder to negotiate around because they aren’t quantitatively comparable; further, NTBs are difficult to disentangle from legitimate government activities—and relatedly, NTBs are deeply embedded within domestic political and economic structures (e.g., Japan’s cash-based economy and six-day workweek). Hence, NTBs lead to protracted negotiations: the Tokyo rounds took 7 years, the Uruguay rounds took 9 years, and the Doha rounds took 10 years. Worse yet, the GATT dispute settlement mechanism relied on consensual decision-making and placed no caps on case preparation, leading to years-long hearings and unenforceable decisions. Frustrations with the multilateral system increased interest in regional alternatives (like NAFTA and the EU).
- The Uruguay round talks, held between 1986 and 1995, aimed to extend GATT protections to pressing new issues in international trade, like the rise of *trade in services* (e.g. banking, telecommunications, insurance), *trade-related investment measures*, and *intellectual property protections*. Delegates at Uruguay also wished to get emerging markets into the global trading system.
  - During these talks, the US was the primary power; American industries, especially in finance and manufacturing, wanted stronger international trade arrangements—and even American large, concentrated agribusinesses (like Cargill) hoped for liberalization reforms. However, European and Japanese delegates were defensive, with a greater focus on their domestic markets. Brazil and India acted as “proxies” for emerging economies; they hoped to bargain for access to Western markets.
- The US tried to bargain with Europe to open Western markets in order to get developing countries into the fold; this led to contentious negotiations between America and Europe over agricultural protectionism. Both places have extensive systems for protecting farmers against surplus capacity, which incentivizes overproduction (e.g., Europe’s “mountains of butter and lakes of wine”) and dumping in foreign markets. Eventually, the US and Europe agreed to cover agriculture in the GATT, but implement reforms gradually. The conclusion of the Uruguay talks in 1995 seemingly extended GATT liberalism to formerly-excluded areas. Soon after, the GATT was turned into the World Trade Organization, which has a far stronger dispute settlement mechanism staffed by professional panels.
- The Uruguay talks created two problems. First, *buyer’s remorse in the global South*. Many countries opened their markets, but the West was slow to open theirs. Second, *buyer’s remorse in the global West*. Bureaucrats permitted the outsourcing of Western jobs to anywhere in the world—big businesses won at the expense of environmentalists, laborers, and ordinary people. This dissatisfaction drove the anti-WTO protests at the 1999 Battle for Seattle.

- Subsequently, during the Doha round talks (2001–2011), emerging markets demanded bigger concessions from the global West, but the West refused to comply. The expiration of Obama’s TPA in 2007 further doomed talks.

### Why Trade Fails

- Had they succeeded, the TTP and TTIP would have covered over a billion people and constituted a dominant portion of global GDP, yet both failed. Trump’s election doomed Obama’s hopes for the TPP (and the TTIP has similarly faced a doomed fate). The TPP became the *CPTPP*, with Japan serving as a “pinch hitter,” and Biden’s proposed (Indo-Pacific Economic Framework, or *IPEF*) has received little support.
- The TPP—widely detested by Democrats—was a political loser for Obama, yet he still pursued the deal. Why? Obama hoped to geopolitically balance US interests against Chinese expansion in Southeast Asia, boost American recovery after the GFC, and maintain momentum in trade liberalization. But first and foremost, the TPP was intended to contain China, especially with the rise of the Regional Comprehensive Economic Partnership (“RCEP”). While the RCEP reduced at-the-border tariffs, the TPP focused on behind-the-border non-tariff barriers; China was unwilling to focus on NTBs because of the Chinese government’s extensive involvement in the domestic Chinese economy (e.g. SOE subsidies, technology transfers, closed-off financial markets). TPP anti-NTB measures put China in a double bind: join and reform, or stay outside and lack influence.
  - Simultaneously, China—after Xi’s rise in 2013—sought to expand via the Belt and Road Initiative throughout the Persian Gulf, Africa, Eurasia, and Latin America. Obama’s plan: *bookmark* the BRI with the TTIP in Europe and the TPP in Asia. This plan was an extension of Obama’s “Pivot to Asia.”
- Domestic politics posed a challenge. Environmentalists, labor unions, and consumer advocacy groups lobbied heavily *against* the TPP. Even many Republicans viewed free trade as toxic and corporatist. In particular, many Democrats opposed the *secrecy* with which trade negotiations took place—they feared that big businesses would pull the strings in their favor, slashing labor and environmental protections in the process. Labor mobilized against job-taking deals more than they mobilized for job-making deals. In short, all sides of the US political spectrum converged on a disdain for free trade; American support for free trade crumbled in the face of an adversary not playing by the same rules and with a less-competitive economic homefront.
- The IPEF is a different approach. The US won’t open its own markets, but aims to increase “friend-shoring,” raise labor standards, and boost environmental protections. But Biden isn’t willing to offer concessions.

### Poland’s Elections

- In October, Jarosław Kaczyński’s right-wing Law and Justice Party (PiS) sought an unprecedented third term in office; the opposition, led by Donald Tusk’s Civic Coalition,

feared that this election was be Poland's most significant since the democratic transition after communism's fall in 1991. President Andrzej Duda and his PiS strongly support Ukraine but have clashed with the EU over Ukrainian grain imports; Poland recently halted arms sales to Ukraine to restore its domestic stockpile. Law and Justice has made migration the election's focal point, running on a strongly xenophobic and Islamophobic platform (Poland is overwhelmingly Roman Catholic).

- The opposition has criticized PiS for record-high levels of migration and corruption scandals around Schengen Area visas (in which Polish officials at consulates in the Middle East and Africa exchanged visas for bribes). PiS remains fixated on Catholic family values; to those ends, Warsaw recently announced a 60% increase in child support payments and has more than doubled the minimum wage for public-sector employees since 2015. PiS has credibly been accused of democratic backsliding by stacking the Constitutional Tribunal and Supreme Court with ideologically sympathetic judges; the EU is withholding around €30B in COVID relief aid as punishment.

### **1MDB Scandal**

- 1Malaysia Development Berhad, Malaysia's now-defunct sovereign wealth fund instituted in 2009, raised billions in corporate debt issuances between 2009 and 2014 underwritten by Goldman Sachs, but hid around \$4.5B in shady offshore accounts and shell companies; stolen money was spent on entertainment (e.g., financing *The Wolf of Wall Street*), art, precious diamonds, and real estate (e.g., lavish New York and Hollywood apartments). By 2013, suspicion grew, and Malaysian PM Najib Razak was accused of overseeing (and directly participating in) 1MDB's money laundering schemes.
- Outrage against 1MDB's insolvency and Razak's brazen corruption led to the stunning defeat of longtime incumbent party Barisan Nasional in Malaysia's 2018 elections; Razak was later convicted on corruption charges in 2020. Subsequently, Goldman Sachs struck a deal with Kuala Lumpur under which GS promised to return \$3.9B to Malaysia in exchange for immunity from prosecution. That deal is under pressure as GS takes Malaysia to court over a \$500M recovery per August 2022.

### **US v Google**

- Federal regulators are pressing antitrust charges in **US v. Google**. The Justice Department claims Google is a monopoly with 91% of the global search engine market and argues that Google unfairly blocks competition by (1) illegally partnering with Apple, Samsung, and Mozilla to make Google their default search engine (at the expense of others, like Bing or DuckDuckGo) and (2) preloading Google services on devices running the Android operating system.
- Google's response? (1) These practices are legal; paying Apple to make Safari default to Google is no different than cereal companies paying supermarkets to stock boxes at eye-level. (2) Google lacks true monopoly power; e-commerce and social media

companies like Amazon and TikTok provide alternatives which bypass the need to use Google's search engine. (3) Google might simply be the best search engine on the market, which explains its market power.

- The DOJ (alongside a handful of states joining in the lawsuit) will need to convince Amit Mehta, the DC-based federal district court judge presiding over the case, to endorse a narrow vision of what constitutes a search engine; else, a broad interpretation permits Google to point to adjacent industries (like e-commerce) as evidence of competition. Further, the DOJ must show Google's commercial agreements with major technology companies (like Apple) meaningfully denied other search engines similar opportunities. The trial is the first antitrust trial against a major tech company since Microsoft was sued in the 1990s.

### **Sam Bankman-Fried**

- Sam Bankman-Fried founded FTX, a cryptocurrency exchange, in 2019; two years later, the platform had over 1M active members. In November 2022, the company filed for bankruptcy when media reports on the close (and quasi-illegal) relationship between FTX and SBF's Alameda Research crypto hedge fund, which functioned as a market maker (liquidity provider) for FTX, led to a customer run on FTX deposits and a Binance fire-sale of FTT (FTX's crypto token). Binance temporarily offered to buy FTX but backed out a day later; FTX entered Chapter 11 bankruptcy proceedings. In December, Bankman-Fried was arrested; he faces seven charges of wire fraud, securities fraud, commodities fraud, and money laundering. Prosecutors are working closely with Bankman-Fried's closest allies, including former Alameda CEO Caroline Ellison, along with two FTX executives, Gary Wang and Nishad Singh. In mid August, Bankman-Fried's bail was revoked; prosecutors claim he intimidated witnesses.

### **Activist Investing**

- Largest activist investment funds: Elliott Management, Third Point Partners, ValueAct Capital, Trian Partners, JANA Partners, Cevian, Starboard Value, Ancora Advisors, Barington Capital, Corvex Management, Macellum Capital, Mudrick Capital, Sachem Head, Soroban Capital, Engine No. 1, Amber Capital, Bluebell Capital, Gatemore Capital, Petrus Advisers, PrimeStone Capital, Sparta Capital.
- Typical strategies:
  - Activist shorting—Luckin Coffee/Muddy Waters Research.
  - Greenmailing—buy up large stake in the company, threaten a hostile takeover, incentivize stock buybacks to prevent a hostile takeover.
  - Engagement—assume position of influence on board, work behind the scenes to pursue corporate reform.

## **Israeli Judicial Reforms**

- **Israel’s “Reasonableness” Judiciary Crisis:** Israel’s elections in November 2022 for the 25<sup>th</sup> Knesset delivered crushing blows to Israel’s centrist, secularist, Arabist, and leftist parties—namely, Yair Lapid’s Yesh Atid and the Labor Party—but afforded a tremendous victory (66 seats in the 120-member Knesset) to Israel’s Jewish, nationalist, and right-wing parties—namely, Netanyahu’s nationalist center-right Likud, religious (Haredi/ultra-Orthodox) conservative United Torah Judaism, religious conservative Shas, far-right Religious Zionist Party, far-right Otzma Yehudit, and far-right Noam. Israel’s governing coalition, led by Netanyahu as Prime Minister, is possibly Israel’s most right-wing, conservative, and religious government in history. Israel’s political right has strengthened in the last decade due to (1) fertility disparities (e.g., Haredi women have an average of 6.6 children while secular Jewish women have an average of 2 children) between highly-religious and moderately-religious Jews, (2) intense security fears after the May 2021 Hamas–Israel conflict, (3) limited opportunities for Israeli–Palestinian social interactions due to the blockade on Gaza, restrictions on Palestinian intranational migration, and the West Bank’s separation wall, (4) Israel’s unexpected age-based voting habits (namely, young voters are usually more right-wing than old voters) partially due to the lack of Israeli–Palestinian peace talks in recent years, and (5) the Israeli right’s weaponization of fears that Israel may lose its Jewish identity (especially after the March 2021 elections which ushered an Arab party into the governing coalition). Since Israel’s conservative government assumed power in November 2022, Israel has embraced a right-wing governing agenda, such as by launching an unprecedented forty-eight hour intervention in occupied Jenin in the West Bank. More importantly, Netanyahu’s coalition has controversially sought to reform (or, depending on perspective, gut) Israel’s judicial system and the Israeli Supreme Court in particular. These reforms, championed by Israel’s minister of national security Itamar Ben-Gvir, are made possible by Israel’s use of the Basic Laws, rather than a written constitution. Since Israel’s judiciary cannot strike down cabinet appointments or legislative initiatives as explicitly unconstitutional, the judiciary instead relies on an amorphous principle of “reasonableness:” is it reasonable for the state to use resources or power in certain ways? In practice, judges examine the “unreasonable” test by asking whether a decision was made without considering “all relevant issues,” “without giving relevant weight to each issue,” or by “applying too much weight to irrelevant factors.” Historically, courts have often used this “unreasonable” principle to strike down ministerial appointments and influence how ministers can act while in power. Netanyahu’s aim is to bar judges from using the “reasonableness” test. Supporters of the proposed reforms claim (1) unelected and undemocratic judges presently wield too much authority, (2) the “reasonableness” standard is too vague and lacks clear codification in Israeli law, and (3) courts have historically favored secularist and leftist interests, like by striking down construction of settlements in parts of the West Bank and by limiting privileges (e.g., conscription

exemption) granted to ultra-Orthodox Jews. Opponents of the proposed reforms claim (1) the government's actions threaten the health of Israel's democracy by stripping independent courts of their powers to curb anti-democratic acts by the Knesset, (2) Netanyahu may exploit the judiciary's newfound weakness to evade the many bribery, fraud, and corruption charges he was indicted on in November 2019 (e.g., by replacing Israel's current attorney general, Gali Baharav-Miara), and (3) disempowering Israel's judiciary would enable Israel's right-wing ultra-nationalist anti-secular government to roll back civil liberties and embrace a strictly religious/Jewish vision of the Israeli state; Haaretz, Israel's third-most read newspaper, called the reforms a "judicial coup law." Netanyahu's efforts began early this year with two more contentious proposals to increase political influence in the process of appointing Supreme Court justices, wholesale strip the Supreme Court's ability to review the Knesset's decisions, and allow the Knesset to overturn Supreme Court decisions through a simple majority vote. Fierce protests forced Netanyahu to announce a temporary "timeout" in late March 2023. Since the government moved to vote on the proposed "reasonableness" reform, protests have broken out once more—and finally, on July 24, the Knesset voted 64–0 (the opposition boycotted the vote) in favor of the Reasonableness Law. Hundreds of thousands marched on Jerusalem and camped in front of the Knesset. Elite forces/pilots in the IDF have threatened to quit. Histadrut, Israel's largest trade/labor union, will likely declare a general strike. Tens of thousands of reserve soldiers have threatened to leave their posts. Hospitals declared they will be operating on minimal capacity in coming days in protest of the law. Dozens of major businesses have gone on strike in solidarity. Benny Gantz, the Blue and White leader, promised that the law would be overturned once the current coalition loses power. The White House called the law "unfortunate," signaling Washington's opposition to Israel's anti-democratic lurch.

### **Trump's Indictments**

TL;DR—Trump is now facing four separate criminal inquiries.

- First, in March 2023, Trump was charged on 34 counts by New York County District Attorney Alvin Bragg in relation to Michael Cohen's payment of \$130K to Stormy Daniels, a porn star, to keep Daniels silent about her 2006 affair with Trump; the trial is scheduled to begin on March 25, 2024. The case may succeed because Cohen has since turned against Trump and will likely testify for the prosecution, but the case may be too insubstantial (and reliant on novel legal theories about the intersection of state and federal law) to succeed.
- Second, federal prosecutors led by special counsel Jack Smith have charged Trump on 37 counts for storing classified documents at his personal Mar-a-Lago residence in Florida, directing his attorneys to mislead federal authorities, and bragging about retaining classified information; the trial is likely to begin on May 20, 2024. The case may succeed because (1) Smith's indictment is unusually compelling, including direct evidence that

Trump knowingly hid classified documents from the FBI and (2) Trump publicly admitted to taking the documents during his CNN town hall in May, making the Espionage Act charges easier to prove; however, the case is being heard by Trump-appointed Judge Aileen Cannon who has ruled favorably for Trump in the past.

- Third, Trump is facing an ongoing criminal investigation into his interference with Georgia's electoral system during the 2020 election, in which Trump called Georgia Secretary of State Brad Raffensperger and demanded that he "find" nearly 12,000 votes for Trump.
- Fourth, Trump is facing an ongoing criminal investigation into his role in the January 6<sup>th</sup> Capitol insurrection; an indictment seems likely.

### **Twitter Under Musk**

- Since Musk's \$44B acquisition of Twitter was finalized, Twitter has endured severe tumult. Dozens of executives have either quit or been fired, including several C-suite executives, and hundreds of Twitter have resigned in protest. Thousands of advertisers have left the site, and Twitter's revenues have plummeted.
- Musk has signaled an opposition to censorship, yet trolls have run rampant on Twitter since his takeover; this has been worsened by Musk's overhaul of Twitter's blue check verification program. For instance, a fake account representing the pharmaceutical company Eli Lilly published incriminating Tweets that wiped out nearly *\$15B* from the company's market capitalization.
- Under Musk, Twitter is losing an estimated *\$4M per day*; as a result, nearly *half* of Twitter's entire workforce has been laid off.
- What has Musk changed?
  - 1—Twitter is no longer publicly-traded. This reduces regulatory oversight over Twitter and eliminates the need for quarterly financial reports.
  - 2—Mass layoffs have hit nearly every department in Twitter since Musk took over, after taking out ~\$13B in debt to finance the deal.
  - 3—Musk imposed a paid subscription fee for verification check marks, which has led to significant pushback and spam trolling.
  - 4—An advocate of free speech, Musk has promised to relax Twitter's content moderation standards by implementing a content moderation council to determine what sorts of speech to restrict.
  - 5—Dozens of high-profile advertisers have left the platform, including automotive giants like Volkswagen, Audi and Porsche. Other companies include REI, United Airlines, and the Carlsberg Group. Musk has blamed these departures on activists, like the ADL.
  - 6—Musk wants to create new revenue mechanisms at Twitter, like a paid private-message system for high-profile users and a payment processing platform to challenge the likes of PayPal.

- 7—Trump's Twitter account was reinstated; he was formerly banned following January 6.

### **Post Conflict Societies**

- **Brutality:** In just one-hundred days between April and July of 1994, an estimated 700,000 Tutsis were massacred during the Rwandan Genocide. Between 1975 and 1979, nearly a quarter of Cambodia's population died under Pol Pot's brutal Khmer Rouge. Hitler's Nazi regime exterminated two-thirds of Europe's Jews in history's bloodiest genocide. The wave of Balkanizing wars that swept across Yugoslavia between 1991 and 1999 claimed the lives of roughly 140,000 people in Bosnia, Croatia, and Kosovo. It took 22 protracted years of civil insurgency between 1983 and 2005 for South Sudanese rebels to secure independence. Cold War-era liberation struggles across Latin America and sub-Saharan Africa wreaked havoc.
- **Inter-/Intra-State Wars?** Rates of interstate warfare have notably decreased since World War II. Many possible explanations for this trend exist. (1) Democratization may have contributed to this era of relative peace, as democracy fosters a political culture of negotiation and conflict mediation; relatedly, the institutionalized safeguards innate to a functioning democracy, like the separation of powers and checks and balances, raise the bar to going to war. (2) The rise of international organizations like the UN offer non-violent alternatives to mediating disputes. (3) The proliferation of regional free trade and globalization's explosive growth have strengthened the political and economic linkages between countries that discourage war. (4) Nuclear weapons (and the inclusion of non-nuclear states under nuclear umbrellas) have acted as powerful deterrents, as have multilateral defense organizations like NATO (5).
  - Empirical surveys confirm this. Between 1945 and 1999, there were just 25 inter-state wars, with the majority lasting less than a half-year. By contrast, during that same period, there were 127 intra-state wars, with an average duration of six years and a death toll five times higher than that of interstate warfare.
- **Civil Wars:** First, there must be a compelling motive to go to war. Insurgency is challenging and every victory is paid in blood. Soldiers and civilians alike lose everything—their homes, their families, even their lives. The result of a war is uncertain, and the post-conflict outcomes that will follow are even more muddled. War efforts must overcome this inertia. Hence, conflict requires motive. Second, there must be the opportunity to go to war. Violence is costly: revolutionaries need guns, tanks, and ammunition. Insurgencies need recruits to take the fight to the streets. Nascent rebel movements need territories, especially mountainous or rural territory, where they can evade the military. Hence, conflict requires opportunity.
  - **Grievance:** People are far more willing to join the fight when they have little to lose. Charismatic rebel leaders can exploit peoples' desperation to increase recruitment, solicit locals' support, and acquire valuable information.

Furthermore, systemic poverty weakens local law enforcement (thereby increasing the attractiveness of defection) and hampers the process of institution-building.

- These political and economic grievances empirically intensify conflict. For instance, the First Congo War, a civil war in Zaire (known nowadays as the Democratic Republic of the Congo), was motivated in part by serial economic mismanagement under Zairean President Mobutu Seko, whose kleptocratic rule saw Zaire become the world's second-poorest country. Seko embezzled billions from the state budget, devalued the national currency (subsequently causing an inflation crisis, which saw prices skyrocket 4000% in 1991 alone), and relied heavily on inflows of strategic foreign aid that dried up following the end of the Cold War. By the time violence broke out in 1996, half of Zaire's population was malnourished. Even soldiers' wages were so low that Seko reportedly recommended looting as a means to make ends meet. Even in contexts where conflict is ostensibly driven by other concerns, material interests may still play a role. During the Russian Civil War, which pit Lenin's communist Red Army against the anti-Bolshevik White Army, rates of desertion rose by a factor of ten during periods of relative prosperity (such as the crop harvesting season), highlighting the important role material considerations play in insurgencies. Separatists in Indonesia's Aceh region were at their most violent (and saw their highest levels of recruitment and participation) following the 1997 Asian financial crisis, which decimated the value of the Indonesian rupiah and caused Indonesia's GDP to crater by 13.5%.

- **Ethnicity:** Sectarian cleavages can further motivate conflict, since ethnic, racial, and religious divisions may induce the fear and antagonism that precipitate violence. For instance, Nigeria has faced high levels of violence between Christians and Muslims, particularly since the rise of Boko Haram. Separatist violence in India's Jammu and Kashmir region is steeped in ethnic and religious tensions, as Kashmir is overwhelmingly Muslim yet subject to control by India's Hindu-majority government. Similarly, violence between Azerbaijan and Armenia in the Nagorno-Karabakh region is largely split across ethnic lines.

- ethnic fractionalization itself rarely triggers violence. Instead, ethnicity plays an instrumental role in most conflicts. Governments politicize ethnicity: they make identity politically salient by distributing public goods unequally to different groups. Parties affiliate explicitly with ethnic groups, perpetuating the existence of in-groups and out-groups. Minorities become easy scapegoats to blame. Ethnonationalism seeps into public discourse. The divisive legacy of colonialism sours relations between different groups. Ethnically-charged fear mongering transforms mild

distaste into all-consuming rage. In essence, ethnicity provides a powerful justification for going to war. Social divides are constructed and manipulated by elites to further their own agendas; in turn, these polarizing lies spread rapidly—through the media, through the education system, through public dialogue.

- **Greed:** Wars fought in the name of “democracy” or “self-determination” may, in reality, be driven by impure motives. Rebel leaders can profit tremendously from insurgency, like by capturing oil fields or seizing diamond mines; controlling vast swaths of land, too, promises handsome returns. Moreover, the destabilization brought about by conflict allows illicit markets, like narcotics smuggling and arms trafficking, to thrive. Commercial elites can capitalize on war, too: all too often, they can extort civilians to work as de facto slaves under threat of death; disruptions in global trade can enhance profits for the domestic firms run by these oligarchs. Even for regular foot soldiers, this instability may be lucrative. Property can be stolen. Houses can be raided. Pillage yields riches.
  - Mineral resources are particularly alluring for greed-driven insurgencies. Toppling an entire government may be challenging, but appropriating a resource extraction facility is, comparatively, easier. Resources travel through “chokepoints” like ports, where they can be stolen during ambush attacks. And while workers and companies can relocate abroad to escape violence, resources (and the intensive infrastructure needed to extract them) cannot.
- **New Guard Authoritarianism:** Why do so many liberation movements, upon achieving power, mirror the abusive tendencies of the very regimes they ousted? The challenges confronting insurgencies during warfare shape their internal cultures. Rebel movements face external threats—police crackdowns, firefights with law enforcement, targeted airstrikes—just as they face internal threats—mutiny, sabotage, counter-espionage, desertion. On top of that, rebels face information threats (sensitive intelligence could be leaked to the enemy), financing threats (sources of income might be cut off), and membership threats (anti-insurgent propaganda may undercut recruiting efforts). Danger is everywhere. Resources are stretched thin. Opportunities are fleeting. One mistake could end it all.
  - Insurgency is an uphill battle. The cultures, habits, and attitudes that develop within rebel movements reflect these ever-present threats. Leaders cannot be questioned since insubordination cannot be tolerated. Survival requires the use of rough tactics (like violently intimidating eyewitnesses into silence or killing those who resist rebel directives). Extensive use of propaganda, indoctrination, and cults of personality ensure soldiers’ conformity to group ideology (e.g. Marxism or nationalism). Intra-rebel politics become authoritarian: you’re either with us, or you’re against us. This militaristic culture lives on long after conflicts end—and

consequently, liberators become oppressors. Protests are met with violence. Brute force is the preferred substitute for negotiation. Militaries remain unyieldingly loyal to the former revolutionaries now in power.

- Compounding these concerns, leaders in post-conflict states can rarely be held accountable for their corruption and abuse. After all, they are national heroes. People chant their names and sing their praises. Statues and monuments made in their honor line the streets. *Who would dare criticize such powerful figures?*
- **Conflict Trap:** In the Mindanao region of the Philippines, intermittent violence between the Moro ethnic minority and the national government has waxed and waned since the 1968 Jabidah massacre, despite repeated peace deals. Côte d'Ivoire (also known as the Ivory Coast) fought a civil war between 2002 and 2007 due to political, social, and economic tumult, but the fragile peace agreement crumbled in 2010 over election disputes, leading to the Second Ivorian Civil War. In Nepal, a decade-long civil war led by Maoist guerillas came to an end in 2006 with the abolition of the national monarchy—yet the Young Communist League, a wing of the Maoist insurgency, continued a low-intensity insurgency for years afterward.
- **Barriers to Peace:** Post-conflict societies face many challenges to stable development, political stability, and avoidance of future conflict. War tears communities apart and exacerbates ethnic, racial, religious, and sectarian tensions. Conflict stunts development, drives unemployment, deters investment, and destabilizes political institutions. Novel state regimes are susceptible to state capture, cronyism, ineffective governance, and democratic backsliding. And post-conflict states face high risks of conflict reignition.

#### *Case Studies*

- **Sierra Leone:** Sierra Leone achieved independence in 1961, declaring itself a constitutional republic. However, corruption plagued the country's newly-formed government; consequently, political institutions remained weak. Most Sierra Leoneans languished in poverty and were trapped in subsistence agriculture, even as well-connected commercial elites in Freetown, the nation's capital, prospered from the country's lucrative trade in alluvial diamonds and gold. By the 1970s, under the patrimonial leadership of President Siaka Stevens, Sierra Leone's public bureaucracy was chronically underfunded, shortages of food and gasoline were common, school teachers were laid off in droves, and inflation rates seldom dropped below double-digits. Lavish state spending on white elephant projects exacerbated public discontent; for instance, in 1979, the national government spent two-thirds of its budget to host the annual Organization of African Unity summit, even as per capita income stagnated around \$180 annually per person. In 1991, the Revolutionary United Front—a loose coalition of disaffected Sierra Leoneans inspired by the success of rebels in neighboring Liberia—attempted to overthrow the corrupt government of Joseph Momoh. Soon, the country was plunged into a full-scale civil war, in which all sides (including the national

military, the RUF rebels, and disparate anti-government guerilla forces) committed heinous war crimes, including the use of child soldiers. After eleven years of bloodshed, the civil war came to an end in 2001 with the signing of the Lomé Peace Agreement, in which the RUF agreed to disarmament in exchange for amnesty and partial control over diamond mines.

- **Rwanda:** Rwanda's genocide of the Tutsi minority by the Hutu majority is a tragic example. For centuries, the indigenous peoples living in modern-day Rwanda had no conception of "Hutu" or "Tutsi." Different clans existed, but relations were largely peaceful. It was only in 1929, by order of Belgian colonists, that these ethnic categories were created. Every Rwandan was soon required to hold an *indangamuntu*, or identification card, which assigned ethnic status based on inexplicable factors, like how many cows a person owned or how far away they were from the monarchy. These ethnic labels were nothing more than arbitrary social constructions imposed by a foreign evil, but even after the departure of the Belgians in 1962, ethnic tensions persisted.
  - Ethnicity proved to be a powerful political tool for the Hutu-led government that assumed power after the 1961 Rwandan Revolution. Strict anti-Tutsi quotas in education and employment ensured continued Hutu dominance. Tutsis were forcibly displaced, with thousands forced into neighboring states. In response, Tutsi rebels based in Uganda formed the Rwandan Patriotic Front, which invaded Rwanda in 1990. Mindful of the threat posed by the RPF, Rwanda's Hutu-led government doubled down on antagonizing ethnic relations in the country. The Kangura magazine, financed by Rwanda's military, called for the extermination of the Tutsis. The Free Radio and Television of the Thousand Hills, a popular radio broadcast program, castigated Tutsis as cockroaches and called for their mass murder. During mandatory community meetings in Hutu-majority areas, known as umuganda, local elites implored regular civilians to take up arms against the Tutsis before it was too late; in fact, these meetings were such a powerful source of hatred that districts with more rainstorms—which reduced attendance at such meetings—saw roughly 16% less civilian participation in the genocide. In short, Rwanda's Hutu elites exploited the politics of fear and anger to otherize the Tutsi minority.
  - At 8:25pm on the evening of April 6, 1994, as the Dassault Falcon 50 airplane carrying Rwandan President Juvénal Habyarimana descended towards Kigali International Airport, two 9K38—Igla surface-to-air missiles struck the plane's wing and tail. Habyarimana was killed instantly. By the end of the night, the suite of like-minded moderate Hutus who served in his administration would also be killed.
    - Rwanda descended into genocidal chaos. Hutu ultranationalists, led by Robert Kajuga's Interahamwe, joined forces with the national military and Presidential guard to identify and slaughter Tutsis and moderate Hutus.

But most violence was carried out not by trained soldiers, but by regular civilians, who, with the encouragement of village and commune leaders, executed their Tutsi neighbors with impunity.

- The terrorizing violence that subsumed Rwanda during those harrowing one-hundred days is a poignant illustration of the multifaceted grievances that drive conflict. Social divisions imposed during the colonial era stoked animosity between rival groups. Political elites exploited these divisions to maintain power and offload blame onto powerless minorities. Years of propaganda and fear-mongering meant that when push came to shove, communities would be torn apart by bloodshed.
- **Angola (Greed):** Since 1576, Angola had been a Portuguese colony. On the heels of WWII, Angolan freedom fighters—some communist, some nationalist—began an anti-colonial guerilla campaign, which ultimately succeeded by 1975. Upon independence, a power struggle broke out between two of the three largest rebel groups—the Popular Movement for the Liberation of Angola (“MPLA”) and the National Union for the Total Independence of Angola (“UNITA”).
  - Many factors could explain the resulting twenty-six years of war crimes, massacres, and indiscriminate violence. Perhaps Cold War tensions between the US and Soviet Union were to blame. Perhaps ethnic cleavages, aggravated by Portuguese colonialism, were the main culprit. But Angola’s tremendous diamond deposits offer a likelier explanation. Throughout the 1980s, fighting was most intense in diamond-rich areas, like in the Lunda Norte province. Due to their lucrative profitability, diamond mines throughout the country were heavily protected with barbed wire fences, patrols of armed guards, and landmines (many of which, concerningly, are still active to this day). Subsequently, UNITA rebels traded raw diamonds for weaponry and used sophisticated sanction-evasion techniques to sell these “blood diamonds” in Antwerp’s diamond district, where nearly 85% of diamonds are bought and sold. De Beers, a dominant player in the global diamond market, helped smuggle Angolan diamonds through Zaire and Tshikapa, buttressing rebels’ profits. Unsurprisingly, UNITA’s decades-long insurgency prospered greatly from the diamond trade, earning an estimated \$3.72B; these revenues protracted the country’s civil war. Angola’s Marxist government cashed in, too, by establishing a state-run diamond extraction company, Endiama. As such, greed played a central role in Angola’s civil war.
- **Biafra (Greed):** By the time Nigeria gained independence from Britain in 1960, over three-hundred different ethnic groups called Nigeria home. The Igbo, Hausa-Fulani, and Yoruba peoples were by far the largest, but largely distrusted each other. Consequently, post-independence Nigerian politics were fraught with violence and discontent: street riots, anti-Igbo massacres, persistent inequality, competition for federal resources, and successive coup attempts left Nigeria’s emerging state regime vulnerable—and the Igbo

minority fearful of continued repression. In May of 1967, Nigeria's Igbo leaders officially declared a breakaway, Igbo-majority state: Biafra. Nigeria's military, backed by Egyptian air support and British weapons, invaded soon after.

- Behind the scenes, though, oil played a significant role in Biafra's decision to secede—and Nigeria's decision to clamp down. Nigeria's oil industry accelerated rapidly during the 1960s, with production increasing by nearly 300% and revenues soaring in proportion. Of particular importance was Shell-BP's discovery of vast oil reserves in the Niger Delta region, inhabited primarily by Igbos. Nigeria's federal government took note and capitalized on surging petroleum profits by implementing a series of rents, taxes, and royalties. Western oil companies—including Gulf Oil, Shell-BP, SAFRAP, Tenneco, and Phillips Petroleum—were infuriated and responded by flooding Nigerian newspapers with misinformative articles that condemned Nigeria's federal government. This media blitz further escalated social tensions; a subsequent oil blockade enacted in early 1967 further strengthened the desire for independence.
- While Igbo leaders avoided publicly discussing the issue of their territory's burgeoning oil sector (so as to avoid looking like stooges of Western MNCs), Emeka Ojukwu—a leading proponent of Biafran secession and, later, the President of Biafra—negotiated privately with oil executives to ensure the continued flow of oil payments to Igbo-held Nigerian territories. At one meeting, a Shell director refused to transfer the requisite funds to Biafran accounts; outraged, Ojukwu snapped that his involvement in the war was “solely to determine [the] recipient of oil revenues.”
- Hence, control of the riches promised by Niger Delta's oil fields played a central role both in galvanizing the Igboid elite to support Biafra's nascent secession movement and in incentivizing the Nigerian military's brutal crackdown between 1967 and 1970. It would be foolish to discount the role that ethnic division played in Nigeria's civil war—but the struggle for Nigeria's national wealth was very much at the heart of the conflict that killed an estimated three-million people.
- **Colombia:** Led by Latin America's famed liberator Simón Bolívar, Gran Colombia won its independence from the Spanish in 1819, but endured economic stagnation and racial tensions for decades. In 1948, the assassination of Jorge Eliécer Gaitán, a presidential candidate, sparked a ten year period of political violence known as La Violencia. Eventually, a Liberal–Conservative coalition (the “National Front”) rose to power. Under President JFK, the US strengthened bilateral ties with Colombia under the Alliance for Progress. Subsequently, the US pushed the National Front to crack down on Colombia's socialists, including ELN (a Marxist militia) and M-19 (a leftist guerilla group). The most significant target, however, was the Revolutionary Armed Forces of Colombia, known as FARC. Devoted to the principles of Marxist–Leninism, FARC arose across rural Colombia in the 1960s as neoliberal American economists encouraged Colombia's

government to evict family farmers from 77% of the country's arable land. The resulting economic calamity outraged many rural Colombians and drove them towards communist guerillas.

- FARC expanded rapidly, but cash was tight. In 1982, FARC began cashing in on Colombia's ties to the international narcotics market. Rebels trafficked illegal drugs. Coca farmers paid high taxes to FARC. Cartels in neighboring Bolivia and Peru flew raw coca paste into Colombia, where FARC's "cocaine labs," hidden deep in Colombia's vast forests, synthesized and cut cocaine. By the 1990s, as Colombia was producing nearly 90% of the world's cocaine; FARC was producing hundreds of tons of cocaine and earning \$3B annually.
- FARC's transition from Marxist insurgency to narco-terrorism intensified violence. Cocaine profits helped FARC militarize—purchasing M60 machine guns, AK-47 rifles, and gas cylinder bombs. Right-wing paramilitants clashed with FARC over lucrative drug smuggling routes; Western corporations, including Chiquita and Coca-Cola, covertly hired these groups to guard their investment interests from FARC saboteurs. The US gave Colombia \$12B in military aid to aerially eradicate coca farms and bolster counternarcotics operations. In total, violence between FARC, rebel groups, and the national military left almost 200,000 people dead.
- **Mugabe:** As a leading figure in the Zimbabwe African National Union ("ZANU"), Robert Mugabe helped to end white-minority rule in Rhodesia, oust British colonization, and liberate Zimbabwe. But years of violence during the campaign for independence, including two failed attempts on his life, strongly influenced Mugabe's political repertoire. Hence, by the time Mugabe became Zimbabwe's national leader in 1980, his moral character had changed. Mugabe's ZANU-PF party used fraud, indoctrination, and voter intimidation to win elections; for instance, during nightlong pungwe political rallies, Mugabe's cronies terrorized rural populations into fidelity for the regime. During the 1982 Gukurahundi, Mugabe permitted the Fifth Brigade (composed of Mugabe's former guerillas) to murder tens of thousands of Ndebeles, a rival ethnic group. When a wave of urbanites voted for opposition parties during national elections in March 2005, Mugabe responded with Operation Murambatsvina (etymologically meaning "Move the Rubbish"), which forcibly evicted around 700,000 city dwellers—especially in neighborhoods that had voted against Mugabe. With fiscal mismanagement and forced land redistribution causing inflation rates to hit eighty billion percent, protesters soon demanded change. Echoing his militant background, Mugabe's response (withholding food aid and sending in riot police) was brutal. By the time Mugabe was removed from power by the military in 2017, his reputation as Zimbabwe's national hero had crumbled. Thousands cheered in excitement when Mugabe was sworn in as Prime Minister on April 18th, 1980. When he resigned on November 21st, 2017, they cheered once more.

- **African National Congress:** For decades, the African National Congress fought against vicious oppression; in particular, the ANC's militant wing, Umkhonto we Sizwe, played a central role. By the early 1990s, the tide had turned in the ANC's favor; in 1991, Apartheid legislation was repealed, and in 1994, multiracial elections were finally held. Since then, the ANC has never lost an election. But has the ANC lived up to its promises? Not exactly. Corruption is pervasive throughout all levels of the ANC; even South African Presidents, including Cyril Ramaphosa, Thabo Mbeki, and Jacob Zuma, have been embroiled in corruption scandals. For instance, a \$5B weapons deal signed in 1999 between the South African government and private European arms contractors (primarily BAE and Saab) involved an estimated \$300M in bribes. Beyond corruption, many South Africans have been failed by the ANC in other ways. For instance, in 2012, when mineworkers at the Lonmin platinum mine in Marikana went on strike to push for living wages, South African officials (including Cyril Ramaphosa) ordered the deployment of 400 police officers equipped with assault rifles, whose indiscriminate and unwarranted use of violence resulted in 34 deaths and 78 injuries. The ANC's response? Paper over the massacre, absolve the officials involved, and provide little reparation to the victims. The Marikana massacre marked a tragic chapter in the ANC's general descent into the politics of greed and self-interest; by the mid-2010s, this trend had become so concerning that Desmond Tutu, himself one of South Africa's most renowned human rights activists, publicly decried the ANC as a party he could no longer support.
- **Yugoslavia:** Ever since Bismarck's unification of Germany in 1871, political leaders in the Balkans had envisioned the creation of a unified Slavic state consisting of Croats, Serbs, Montenegrans, Slovenians, and Bosnians. After World War I, their vision came true, and the multiethnic Republic of Yugoslavia was created. Barely a decade later, the country fell to the Nazi regime, which installed the ultranationalist Croat-dominated Ustaše movement as a puppet government. Josip Broz Tito, an anti-fascist revolutionary, subsequently led a communist guerilla campaign against the Nazi occupation. By 1945, his Yugoslav Partisans ousted the fascists from power.
  - Following independence, Tito created a one-party communist regime in Yugoslavia. While ethnic tensions periodically flared up, Tito successfully kept disputes in check. He devolved considerable political, economic, and military power to Yugoslavia's six (predominantly multiethnic) republics. He also promoted supra-ethnic nationalism through narratives of "Yugoslavism" (all South Slavic peoples belong to the same nation) and "Brotherhood and Unity" (all Yugoslavs had shared in anti-Nazi resistance). Perhaps most importantly, Tito's willingness to abandon Soviet-style communist orthodoxy in favor of mixed-market reforms contributed to decades of consistent economic growth.
  - Tito's death in 1980 rocked Yugoslavia. The resulting power vacuum led to a fierce power struggle between elites; without Tito's unifying presence, Yugoslavia's fragmented government was poised to crumble. Disputes over

centralization worsened instability. For instance, Serbia desired a stronger central government, while Slovenia and Croatia preferred federalism. Concurrently, Yugoslavia's economy veered into recession due to rising oil prices, the Soviet Union's decline, erratic monetary policies, and IMF-imposed "shock therapy." With inequality soaring, growth stagnating, and institutions crumbling, secessionist sentiments intensified.

- When Slobodan Milošević, a hardline Serbian nationalist, rose to power as Serbia's President in 1989, he exploited ethnic tensions between Serbs, Croats, and Albanians for personal gain. Milošević installed puppet governments in the neighboring republics of Vojvodina and Montenegro. In response, pro-independence parties emerged in Croatia, Slovenia, Macedonia, and Bosnia-Herzegovina. With political rhetoric becoming more heated by the day, negotiations over Yugoslavia's future collapsed.
- During the 1990s, a suite of Yugoslav provinces opposed to Milošević's pan-Serbian regime—Slovenia, Croatia, Macedonia, Bosnia, and Kosovo—declared independence. While Macedonia seceded bloodlessly and Slovenia's War of Independence lasted just ten days, destructive wars broke out in Croatia, Bosnia, and Kosovo. These "Yugoslav Wars" were marked by atrocities (e.g. the Srebrenica Massacre), bloody battles (e.g. the Siege of Sarajevo), and foreign interventions (e.g. NATO bombings in Bosnia and Kosovo). The Yugoslav Wars resulted not only in the breakup of Yugoslavia, but also in two-hundred thousand deaths and four million displacements.
- Recognizing the need for justice, the United Nations established the International Criminal Tribunal for the Former Yugoslavia (or the "ICTY"), which was responsible for prosecuting the individuals responsible for wartime atrocities. The ICTY indicted 161 generals, soldiers, politicians, and elites, convicting 91 of them. Most notably, the ICTY indicted sitting Serbian President Milošević, although he died from natural causes before a verdict was reached.
- While the ICTY received praise for its deliverance of justice, many criticized the court for a pro-NATO and anti-Serb bias. Milošević himself described the tribunal as an "illegal and immoral institution... invented as reprisal for disobedient representatives of a disobedient people."

### *Prosecution*

#### Benefits of Prosecuting

- Prosecution offers catharsis to victims. War crimes are more than acts of violence—they are also assertions of *power* of one group over another. For many victims, healing therefore requires a direct restoration of the equality that was robbed from them. Retributive justice does exactly that. In Greece, *junta*-era soldiers convicted of torture

spent the rest of their lives in prison. In Sierra Leone, mass murderers received similar sentences. In both cases, thousands rejoiced.

- Beyond catharsis, prosecution reduces the risk of future violence. Punishing perpetrators of grave wrongs sends a powerful message: the old regime is dead. Evil will never be tolerated. Justice is a top priority. Hence, prosecutions combat impunity and deter future violence. Furthermore, court proceedings shine light on past wrongs. Journalists report extensively on high-profile post-conflict trials. Evidence is released to the public. Witness depositions and court publications seep into mainstream discourse. As information about past evil becomes readily available, the narratives that empowered violence are discredited. Cults of personality enjoyed by authoritarian oligarchs seem inexplicable in the context of new evidence. The hateful lies spread through state propaganda are excoriated. In this way, trials expedite truth-seeking.
- In particular, prosecuting the ringleaders of past atrocities can help ensure peace. Dangerous organizations are “decapitated” with their heads (i.e. leaders) cut off (i.e. imprisoned); as a result, the challenges of collective action make repeats of large-scale violence harder. Moreover, by punishing the specific elites who instigated mass violence, rather than all members of an ethnic or racial group, the burdens of accountability are made clear. Consequently, well-targeted prosecutions can dispel the narratives of *collective guilt* that—while useful in *select* contexts, like post-WWII Germany—drive a dangerous cycle of alienation and violence.
- Additionally, prosecution reduces vigilantism. Amnesty for criminals can feel like a betrayal to victims. The consequence is a shift from *institutional* justice to *informal* justice for war criminals: even if the state doesn’t punish them, the community will. The popularity of “Nazi hunting” after WWII highlights just how strong the desire for justice can be.

### Incentive Problems with Prosecutions

- Post-conflict governments must determine how war crime trials will work. Doing so is surprisingly complicated. What counts as a war crime? How must current legal codes be changed to allow for those crimes to be prosecuted? How will trials run? How exactly will that work? Will new tribunals be created? Or will existing courts suffice? Once trials begin, what procedures should be followed? What evidentiary standards will be used? Will foreign experts be involved? Can defendants invoke “superior orders” as a defense? Is the death penalty a permissible punishment?
  - While many of these questions are straightforward, others are more complex. In the ensuing negotiations, influential “veto players” insert themselves and push for their preferred judicial procedures. Who are these veto players? They are powerful agents with considerable political leverage. They might be multinational corporations or members of dominant political dynasties. They could be well-armed rural warlords or decorated military generals. Wherever they derive

their power from, veto players act in self-interest. Most often, that means protecting themselves from prosecution—and codifying judicial norms that will ensure they remain above the law.

- Once the groundwork has been laid, investigations must take place; after all, you can only indict those who you suspect broke the law. That requires collecting, processing, and analyzing evidence. This process isn't just administratively difficult—it also exposes prosecution efforts to the biases of the civil society organizers, forensic scientists, international observers, and criminal investigators tasked with these evidentiary duties.
  - Indictments are then issued. This decision—*who gets prosecuted, who goes free*—has monumental consequences. Why? Justice is as social as it is legal. Court decisions mean nothing if society writ large considers those decisions to be unfair. What happens if people have little faith in a court's impartiality? Innocent parties rightly acquitted by courts aren't *believed* to be innocent; they are viewed with suspicion and hostility. And guilty parties fairly convicted by courts become martyrs; they are viewed sympathetically as victims, wrongly put behind bars.
  - Hence, the perception of “victor’s justice” is dangerous. Post-conflict governments have strong incentives to heavily punish those who lost and turn a blind eye to the abuses of those who won. Most obviously, victors have little interest in prosecuting their own crimes. After WWII, for instance, British prosecutors in Nuremberg had no reason to prosecute British military leaders involved in the destructive bombing of Dresden, in which tens of thousands of civilians were killed, just as the US-led military tribunal in Tokyo had no interest in punishing American pilots for slaughtering upwards of one-hundred thousand people during the firebombing of Tokyo.
  - Indictment bias has causes beyond self-interest. Post-conflict emotions influence who does (and doesn’t) stand trial. Rage, in particular, is blinding: you’ve seen the enemy bayonet your comrades and loot your villages. Those memories don’t just intensify your desire for vengeance—they also *narrow* your anger. Even when those who win acknowledge their own crimes, they fixate on those of their enemies. “Victor’s justice” is a natural consequence.
- Even when countries *nominally* prosecute “victors,” overt power-grabbing may still be a leading motive. The Nicaraguan Revolution offers compelling evidence. Nicaragua’s civil war broke out in 1961, when the *Sandinista* rebel movement (known formally as the FSLN) organized mass demonstrations against the Somoza political dynasty, which had been in power since the 1930s. By 1979, the Sandinistas succeeded in ousting the Somoza regime—but soon thereafter, the US under Reagan began funding right-wing anti-Sandinista counter revolutionaries known as *Contras*. Throughout the 1980s, violence between Sandinistas and Contras subsumed the country, ending in 1990. Nearly two decades later, in 2006, Daniel Ortega, a former FSLN leader and major Nicaraguan

politician, was elected as President. Subsequently, his administration pressed charges against many *Sandinistas* leaders.

- Why the reversal? Why did Nicaragua's greatest revolutionary permit his fellow guerillas to stand trial? Quite simply, Ortega stood to gain from their prosecution. By the early 2000s, many had begun to speak out against Ortega, particularly as he signaled support for capitalist market reforms and embraced a conservative pro-Catholic agenda. Fearful of pushback, Ortega's administration prosecuted allies-turned-opponents under the guise of "justice."
- Corruption plagues local courts. Why? Acting corruptly entails little risk. Accountability mechanisms like civil society organizations, anti-corruption watchdog agencies, and independent media firms are left greatly weakened by war. The economic and political chaos characteristic of post-conflict societies facilitates back-alley deals and undermines transparency. And the influx of millions of dollars in foreign aid can quietly be diverted by bureaucrats to fund corrupt deals.
  - At the same time, the incentives to be corrupt are considerable. Accepting bribes can be highly lucrative, especially since judicial employees tend to be poorly compensated. Local elites like village chiefs or wealthy businessmen might also offer commercial favors, like luxurious mansions or generous terms on construction contracts.
- When corruption infiltrates post-conflict courts, judicial officials begin to prioritize self-interest above transitional justice. What are the consequences? The guilty walk free. Innocents are sent to the gallows. Victims distrust the very systems meant to help them. Witnesses, angered by perceived corruption, opt to not testify. Long story short: *corruption compromises justice*.
- Politics, too, distort incentives. Courts may face overt political pressure from governments. For instance, the Iraqi High Tribunal (IHT) that convicted Saddam Hussein was strongly influenced by the American government. The US provided \$128 million in funding to the IHT. Diplomats from the American DOJ questioned detainees, gathered evidence, and trained IHT officials. When the UN suggested that Hussein's case be turned over to the ICC for investigation, US President Bush threatened to pull American peacekeepers out of Bosnia. As such, Saddam Hussein's trial was marred by deliberate US interests. An IHT judge was removed mid-trial. Multiple defense lawyers representing Hussein were thrown out of the courtroom. Closing statements were rushed so that Hussein's guilty verdict would be released on November 5<sup>th</sup>, 2006, just two days before the US midterm elections.
  - Political pressures don't always come from abroad. Given the weakness of inter-branch checks and balances in nascent democracies, executive and legislative branches commonly interfere with judicial proceedings. Additionally, military or religious organizations often work behind the scenes to influence high-profile cases in which they have direct stakes. Courts in the Ivory Coast

experienced both sorts of pressure after the Second Ivorian Civil War, in which Alassane Ouattara's rebels ousted President Laurent Gbagbo from power. Upon assuming power, Ouattara replaced Gbagbo-era military officials with rebels he had fought alongside. Subsequently, Ouattara and his military allies made sure that Ivorian prosecutors primarily targeted Gbagbo's forces—even though both sides had committed atrocities against civilians during the conflict.

- Judges, themselves, are political agents with political interests—as Enrique Petracchi, an Argentinian Supreme Court Justice, once remarked, “all judges are politicians, whether or not they know it.” Even when judges are offered no bribes and face no political pressure to rule unfairly, they still might decide cases inappropriately. Judges might issue unduly harsh sentences in hopes of impressing the new regime. Similarly, they might be fearful of public backlash and therefore aim to rule in a way that appeases protesters.
- Furthermore, legal professionals are high-value targets for blackmail and death threats. In 2022, when a Guatemalan judge sentenced nine police officers to prison for their involvement in the torture of 183 people during Guatemala’s Civil War, he received over twenty death threats. In 1975, when Greece prosecuted military leaders of the authoritarian *junta* that had ruled the country for seven years, the sheer volume of death threats forced the Greek government to station thousands of soldiers, armed with submachine guns, around the Korydallos Prison facility where trials were held.
- Additionally, legal culture influences a judge’s bias. If judicial norms—like the right to an impartial jury or the presumption of innocence—are weakly embedded in post-conflict justice systems, judges might prioritize expediency above true justice. For instance, when Romania’s communist regime collapsed in 1989, former President Nicolae Ceaușescu was arrested, tried, and executed by firing squad in just seventy-two hours.

### Capacity Problems with Prosecutions

- First, war undermines the legal institutions frequently tasked with running post-conflict trials. Most obviously, institutional structures—courthouses, official buildings, detention facilities, prisons—are destroyed. In East Timor, 70% of the country’s administrative buildings had been crushed. In Kosovo, one observer described the post-war administrative damage as if “a plague of heavily armed locusts had swept through... leaving broken windows and ripped-out electrical sockets in their wake.” In El Salvador, the few remaining pre-trial detention centers (known as *bartolinas*) were overcrowded and overwhelmed by the post-war influx of inmates.
  - War also depletes the judiciary’s ability to hear cases. Judges and lawyers often flee or die; for instance, in Rwanda, just thirteen attorneys remained in the country by August 1994. Institutional knowledge disappears; the lack of senior justices and veteran prosecutors with detailed knowledge of legal procedures leaves countries with little expertise in establishing robust court systems. Indeed,

- domestic lawyers tasked with prosecuting war criminals might find themselves poorly prepared and under-trained.
- Political reform, even when that reform is desperately needed, is yet another difficulty facing post-conflict legal systems. When wars lead to regime change, legal systems are radically overhauled. A new constitution is written. New laws must be drafted. Existing departments and agencies are reorganized. Procedures and customs are changed. These reforms can be tricky to navigate. Which courts have jurisdiction in what areas? What evidentiary standards should be used? What is the procedure for appealing? Running a proper legal system is hard enough; building it from the ground-up is even harder.
  - Nonetheless, the erosion of judicial norms may be war's most enduring legal consequence. Years of violence undermine the rule of law; impunity becomes a new norm. As military elites gain outsized power in national governance, they strip away judicial independence; for example, several Latin American countries have suspended constitutional rights, including freedom of the press, in their battle against drug cartels. As formal courts lose credibility, alternative justice systems arise. In Somalia, for instance, customary systems of Sharia law informally replaced official courts in large cities like Mogadishu as the government's power crumbled. Elsewhere, though, it was extrajudicial vigilantism that replaced state justice.
  - Second, even when courts in post-conflict societies are well-developed, they face widespread skepticism. That should come as no surprise. Many conflicts involve some dimension of *grievance*: people fight because they distrust the state, resent inequality, or desire independence. At the root of these grievances is a deep-rooted fear of institutions. When you see a police officer, you fear for your life. You urge your children to be cautious when interacting with authorities. You are reluctant to call the cops, let alone stand before a court. This fear lives on long after conflicts end; in turn, communities remain fearful of judicial institutions.
    - But fear isn't the only explanation behind this systemic distrust—other factors play a role. When cases and verdicts are delayed by months or even years as courts hit organizational and administrative snags, people grow frustrated. If courts collaborate with foreign NGOs or import legal experts from abroad, popular perceptions of the judiciary can become tainted. When the process of developing a healthy court system is led by powerful urban centers, rural communities feel alienated. Anti-judicial sentiments flare up when defendants are acquitted on technicalities, even though the local community *knows* that they are guilty. Furthermore, pre-trial detention facilities, where thousands of accused criminals spend months, are breeding grounds for seditious rumors that undermine faith in upcoming judicial proceedings; for instance, in the late 1990s, as Rwanda prosecuted low-level *génocidaires*, Hutu leaders inside prison walls

spread lies that those who entered into plea-bargains or confessed to their crimes would be summarily executed. Added together, these suspicions pose serious challenges to the legitimacy of judiciaries in post-conflict states.

- Prosecuting crimes against humanity is fundamentally *unlike* any other sort of trial. These trials do more than investigate specific criminals for specific crimes. More importantly, they investigate the narratives that turned men into monsters, friends into enemies, and communities into rubble. These trials are denunciations of *impunity* as much as they are indictments of *criminality*. They strive not just to punish past crimes, but also to prevent future wrongs.
- Hence, legitimacy matters because trials serve a symbolic, and not purely legal, purpose. If judges seem biased, convictions will incite public outrage. If courts seem unfair, opposition parties and foreign newspapers will lambaste the new regime as a failure. Post-conflict societies are at a critical inflection point. Perceptions of impropriety in these high-profile trials can all too easily plunge a country back into war.
- Third, even when legal institutions are well-established and widely-trusted, criminal cases can be hard to win.
  - For starters, prosecutions tend, paradoxically, to focus most of their resources on the cases that are hardest to win. Why is that? The opportunity to prosecute isn't unlimited. There are only so many judges who can hear cases and lawyers who can argue them. Judiciaries are operating on shoestring budgets. Multilateral assistance from international bodies and non-governmental organizations ("NGOs"), too, has its limits.
  - Given these constraints, who do you go after? In other words, if you only have the resources and manpower to prosecute a select few, who do you focus on? Most countries have chosen to target those at the top—dictators, generals, warlords, and commanders. In Liberia, that was Charles Taylor, the country's former President and leading revolutionary figure. In Ethiopia, that was Mengistu Haile Mariam, the chairman of the country's military *junta*. In Turkey, that was Abdullah Öcalan, a founding member of the Kurdistan Workers' Party.
  - But proving guilt is tricky in these cases. Political elites rarely participate directly in wars and instead command from afar; even within militaries, *soldiers*, not generals, perpetrate violence. These complex hierarchies and chains of command pose challenges for prosecutors, since defendants commonly claim plausible deniability.
    - The problems don't end there. Evidentiary gaps are nightmarish: prosecutors might have a wealth of evidence proving that atrocities occurred, but they struggle to find evidence linking specific elites to those atrocities. Sometimes, that evidence simply doesn't exist; in other cases,

coercive tactics, like intimidating witnesses into silence or destroying internal records, stymie prosecution efforts. In essence, elites deploy sophisticated evasive maneuvers to ensure their own acquittal.

- Fourth, the availability of evidence influences the success of prosecutions. Why? Courts convict only when guilt is proven beyond a reasonable doubt. For prosecutors to meet such a high burden, they must amass compelling evidence. Eyewitness testimony can help, but is generally insufficient. Many eyewitnesses may be reluctant to testify—perhaps due to fear, perhaps due to trauma, perhaps due to blackmail. In particular, those who *perpetrated* violence have little incentive to testify for fear of self-incrimination. Even when they testify, eyewitnesses are notoriously unreliable; consequently, as in the case of Nuremberg, prosecutors might hesitate to build a case primarily on their testimonies. Furthermore, many war crimes have no eyewitnesses; the 1950 No Gun Ri massacre of 163 South Korean refugees by US forces, which left few survivors, is case in point.
  - If eyewitnesses alone aren't enough to win a case, what else is there? Evil is often institutionalized—and those institutions can offer clues of past abuses. Militaries and bureaucracies leave paper trails: memos, transcripts, diplomatic cables, orders, manuals, directives. This evidence can prove devastating in a court of law. For instance, in 2013, a Guatemalan court convicted Efraín Ríos Montt, a military officer who briefly ruled the country in 1982, of committing genocide against the Maya indigenous peoples. How did prosecutors succeed? They uncovered damning communications between Ríos Montt and military officers based in the El Quiché region, where dozens of massacres had occurred. Armed with this evidence, prosecutors successfully argued that Ríos Montt was fully aware of (and complicit in) Guatemala's "Silent Holocaust."
- Successful prosecutions require evidence, so when evidence is scarce or non-credible, conviction is difficult. In many cases, though, the difficulty facing post-conflict prosecutors is an inability to *collect* evidence, even when good evidence is out there. Resource constraints exist, yet it takes considerable time, money, and manpower to interview survivors, unearth mass graves, analyze surveillance footage, and pore through military communications.
  - Sovereignty is yet another barrier to evidence processing. When conflict spills across borders, involves secessionist groups, or involves direct intervention by foreign actors, national prosecution efforts depend on other countries' willingness to share information. They often aren't. For instance, during Indonesia's 1975–1999 occupation of East Timor, thousands were massacred by the Indonesian National Military. Upon independence, East Timor extensively investigated occupation-era human rights violations, but until 2006, the Indonesian government was reluctant to cooperate or provide vital evidence.

### Internationalized Problems with Prosecutions

- The three most famous war crimes trials in recent history—the Nuremberg trials in Germany, the ICTY in Yugoslavia, and the ICTR in Rwanda—were managed not by *national governments*, but by the *international community*. This trend continues nowadays, particularly since the founding of the International Criminal Court, and for good reason. Local courts are imperfect vehicles of justice. International actors can be well-positioned to prosecute war criminals fairly and effectively.
  - This “comparative advantage” exists both in terms of capacity and incentive. International prosecutorial organizations (like the ICC) and tribunals established by multilateral bodies (like courts run by the UN) frequently have financial and administrative advantages. Prosecutions are economically costly and bureaucratically taxing. National governments, crushed by warfare, lack the resources of larger organizations. International bodies also have greater judicial and technical know-how. While local courts might face a shortage of trained legal professionals, institutions like the ICC have the skilled prosecutors, experienced judges, and qualified attorneys—as well as years of accumulated institutional knowledge and precedent!—to run trials smoothly.
- Courts run by the international community are governed by different incentives than courts run by domestic governments. Accountability and oversight mechanisms tend to be stronger; corruption is harder to conceal. Since prosecutors care deeply about holding criminals responsible but have little *personal* connection to the conflict, they might be willing to indict members of *both* sides of the war.
  - That’s the case for optimism: international judiciaries are better-equipped than local courts and are more likely to adjudicate impartially. But as it turns out, international involvement in transitional justice has a surprisingly mixed record. If multilateral approaches to post-conflict prosecutions have so many advantages, why do they fail so frequently?
- First, international criminal tribunals lack domestic buy-in. By nature, war is intimate. Most violence came from within your own nation or community. You knew the victims and you knew the perpetrators—by name or group or identity. Thus, justice systems will only seem legitimate when they reflect the intimate nature of conflict. Domestic courts can satisfy that demand since legal personnel come from the national homeland. They attended national universities. They have long been participants in domestic politics. They share cultural and religious values with much of the public. Foreign courts lack these similarities; hence, international involvement seems coldly foreign at best, and neo-colonial at worst.
  - The imposition of Western legal structures lends credence to perceptions of imperialism. Judicial practices have their roots in local cultures. Unsurprisingly, then, different countries with different cultures have vastly different legal systems! While many domestic courts, for instance, are willing to sentence

perpetrators to death, most international tribunals have outlawed the death penalty. And sometimes, the very *opposite* is true—when local communities support a rehabilitation-centric sentence, the fierce retributive character of international tribunals feels jarring. That’s why “international justice” can feel like no justice at all.

- Location is another key culprit. The ICTY was headquartered in the Hague, even though the Yugoslav Wars were fought in Bosnia, Croatia, and Kosovo. The ICTR was based out of Arusha in Tanzania. UN commissions tasked with facilitating transitional justice in Latin American countries have often been stationed thousands of miles away in New York or Western Europe. Why the distance? Multilateral bodies have established infrastructure abroad (like offices and courtrooms) and simply find it easier to use existing facilities rather than those of foreign countries. Additionally, international courts fear jurisdictional disputes should they be seen as tacitly “competing” with domestic courts. Domestic security concerns (*will the court be bombed? will witnesses be safe?*) are the nail in the coffin.
- Yet distance matters. Foreign courts are seen as dispensing foreign justice. Tribunals are castigated by opposition parties as encroachments upon sovereignty. Direct participation—sitting in the court and standing before the jury—resonates deeply. Perhaps most importantly, when trials are held in far-off countries, most people come to receive most information about trials *indirectly* through the media; as a result, when local media firms and radio stations promote an ethno-nationalist agenda, reporting on tribunal proceedings becomes distorted.
- The legitimacy of international tribunals is further undercut by procedure. By nature, international courts are time-intensive, particularly since the appeals process alone can take years. In the former Yugoslavia, for instance, the ICTY began investigations in 1994, but closed its last case in 2017. The Extraordinary Chambers in the Courts of Cambodia, a Cambodian tribunal responsible for prosecuting members of the genocidal Khmer Rouge regime, took 19 years and \$300M in funding to convict just three officials. These delays undermine buy-in as victimized communities grow frustrated.
- Second, international criminal tribunals are undermined by hazardous incentives. In what ways might international bodies lack impartiality?
  - Judges serving on international bodies are imperfect. Since judges are usually nominated by national governments to serve on criminal tribunals, they may be reluctant to rule in a way that displeases the government that appointed (or can *re-appoint*) them. National allegiances might also deter judges from seeking evidence or testimony from those countries. Indeed, if extralegal influences from foreign states alter *domestic* legal proceedings, international bodies must also face political manipulation by powerful actors.

- Career concerns matter, too: if a judge acquits a renowned war criminal, securing private-sector employment later on may be challenging. And judges' years of experience and impressive judicial expertise can, counterintuitively, be harmful: a judge who has spent years evaluating similar types of cases, especially as a prosecutor or defense attorney, may be influenced by preconceived opinions about these legal issues. For instance, when the ICTY convicted Anto Furundzija, a Croatian police commander, on charges of torture and rape, lawyers argued that the sentence should be overturned because the trial's presiding judge, Florence Mumba, had previously been a member of the UN Commission on the Status of Women, which had previously investigated allegations of sexual violence in the Croatian Civil War. Clearly, Mumba's judgment was entirely sound, but the *perception* of impropriety cast doubt on the case.
- Even when judges have no malicious or exogenous biases, they still might rule improperly. For instance, there's a real risk that justices get swept up in the monumentality of their work: when a judge uses their pen to both deliver justice and write history, fairness ceases to be the priority. And foreign judges—even those with the purest of interests—will always be removed from the on-the-ground situation; domestic judges have their imperfections, but their direct connections to the communities which will be impacted by their decisions produces a strong incentive for judicial propriety.
- Even when courts clearly have no ulterior motives, suspicion amongst local communities is still rampant. For many, the international community has already failed them: great world powers stood on the sidelines as their countries plunged into violence. In that context, the international community's professed “commitment to justice” feels hollow and empty. *If you cared about us, where were you when we cried out for your help?* As such, international involvement seems like nothing more than the global community selfishly reaffirming its own morality.

#### *TRCs*

- Truth is hatred's most potent antidote—and, more broadly, vital for stabilizing post-conflict societies. Truth soothes sectarian tensions by discrediting the rumors that incite violence, restores dignity to victims by validating their experiences, and empowers accountability by shining light on past abuses. Truth also helps divided countries embrace a unified memory of the conflict and build a coalescing national identity. Truth answers the questions that haunt survivors: where were bodies buried? Who issued the orders for soldiers to open fire? What happened to children who were kidnapped? What role did schools play in cultural genocide?
  - Truth and reconciliation commissions (“TRCs”) seek to unearth the truth. They empower victims to speak openly about their experiences and facilitate dialogue

with perpetrators. They conduct interviews, review records, collect testimonies, pore over state archives, and investigate scenes of atrocities. TRCs then publish evidence, document past abuses, and issue recommendations. Uncovering these truths comes with a hefty price. Most frequently, TRCs trade amnesty for information—offering immunity to perpetrators to secure their cooperation. Soldiers will reveal the locations of unmarked mass graves, but only if they get protection in return. Generals will offer detailed accounts of torture, but demand impunity in exchange. This *quid pro quo* is as controversial as it is necessary: without amnesty, perpetrators have little reason to talk.

### The Case for TRCs

- First, prosecution is simply infeasible in many cases. Few wars end in outright victory, for in an age of international military aid, guerilla insurgencies, and asymmetric warfare, unconditional surrenders are rare. Instead, most intra-state wars end through negotiated peace agreements, which must make concessions to both sides. Frequently, these concessions guarantee immunity for members of the former regime. And even when these promises of amnesty aren't explicitly codified in peace deals, post-conflict states have strong incentives to avoid “rocking the boat” by permitting controversial prosecutions. As such, many countries use TRCs simply because the alternative of prosecution is impossible; for instance, South Africa's Constitution included a postamble which granted “amnesty... in respect of acts, omissions and offenses associated with political objectives and committed in the course of the conflicts of the past.”
- Moreover, TRCs and criminal prosecution are often more complementary than they appear. The hard evidence and incriminating testimony gathered by TRCs provides powerful legal ammunition to prosecutors to hold criminals accountable. For instance, in 1983, after decades of military dictatorship, Argentina established CONADEP, a truth commission tasked with investigating the thousands of kidnappings and forced disappearances that had occurred under the previous regime. CONADEP's work (titled *Nunca Más*, or *Never Again*) paved the way for the 1985 *Trial of the Juntas*, during which senior military generals were indicted before a court of law. Similarly, when Paraguay's truth commission implicated several ministers associated with former dictator Alfredo Stroessner, prosecutors successfully weaponized evidence unearthed by the TRC to launch court cases against those complicit in human rights abuses. Peru's post-war TRC worked closely with the national prosecutor's office to carry out joint exhumations and collect witness statements; years later, the country's National Criminal Court prosecuted dozens of war criminals based on evidence presented in the TRC's report.
- Second, TRCs have substantial *informational* advantages and are hence better-equipped to uncover the well-hidden secrets of former regimes. While the prospect of harsh cross-examination before a court deters many victims from testifying, the therapeutic aims of TRCs encourage community members to share their stories. Additionally, when

TRCs conditionalize amnesty on comprehensive testimony (as South Africa's post-Apartheid TRC did), perpetrators have strong incentives to reveal confidential information (that would otherwise remain unknown) to avoid being punished. In turn, this incentive cascades: as low-level officers implicate the commanders who gave them their orders, higher-level officials must face accountability.

- Even when TRCs uncover no more information than trials, truth commissions are better equipped to publicize and analyze that information. After all, judges are tasked with hearing specific cases and coming to binary conclusions about guilt and innocence. Conversely, TRCs are tasked with the very act of *writing history*—synthesizing thousands of perspectives, considering how macro-level factors (like ethnic nationalism and social narratives) interact, and cogently summarizing their findings in public reports. Hence, TRCs don't just *collect* more information than trials—they also *disseminate* information better than trials. In turn, that information materially changes political discourse, social norms, and academic scholarship for the better and undermines the persuasiveness of denialism.
- Third, TRCs embrace a victim-centered approach to justice and hence offer greater catharsis. They give victims the time and space to process their trauma. Commission members empathize with their pain and validate their experiences in private interviews. Communities gather—in churches, in village halls, in town greens—to hear victims' voices. Many victims find the very act of speaking out to be profoundly empowering, particularly when they are able to confront their aggressors.
- By contrast, trials are adversarial. Taking the witness stand is intimidating. You are asked to recount your trauma in front of legal professionals you have never met. Your answers are cut short, even when you find elaboration to be cathartic. You face scorn from the defense; they question your judgment in cross-examination. Evidentiary rules may bar you from speaking about specific experiences. Victims can leave the courtroom feeling even more despondent than they began.
- TRCs also expedite healing in other ways. For many victims, truth reports might be the first time where governments officially accept responsibility for past grievances; the resulting catharsis is even greater when truth commissions explicitly name perpetrators or pass evidence files along to prosecutors for further review. Moreover, truth commissions fill a crucial void post-conflict bureaucracies by assembling lists of victims. As banal as that sounds, identifying the dead and classifying them as such in legal records enables families to process wills and access bank accounts—expediting both financial and psychological recovery for loved ones.
  - Relatedly, TRCs honor a government's duty to discover and publicize the truth. Why does such a duty exist? Even when conflicts ended years or decades ago, unanswered questions gnaw away at victims. Even when governments have moved on, their constituents often have not. As such, states have a

well-established obligation to help victims come to terms with their haunting pasts. For instance, that's why South Korea authorized a truth commission in 2005 to investigate Korean-War-era violations—a full *six decades* after fighting had ended. Similarly, Mauritius, an Indian Ocean island nation, launched a TRC in 2009 to make sense of slavery and indentured labor practices that began in the mid-17<sup>th</sup> century.

- Additionally, TRCs embrace a more multifaceted understanding of justice than the criminal justice system. To a court, you are guilty or you are innocent. Your moral character is a binary, even if your sentence is scalable. In some cases, this bifurcated approach works, but culpability is rarely so black-and-white. Militias in the Democratic Republic of the Congo frequently conscript children to work as soldiers. How do courts evaluate those soldiers' crimes? Chechen liberation movements have committed grave atrocities, but done so in the fight against Russian imperialism. How should guilt be understood in that context? Clearly, there is no clear answer. While courts must offer a binary solution to these complex issues, TRCs better appreciate these moral gray zones.
  - The classic rebuttal, of course, notes that TRCs sacrifice truth for justice—acquiring information but letting the guilty walk free. Yet this supposed trade-off is often over-exaggerated. TRCs begin an important process of reckoning—that is, they force societies to grapple with their pasts and shine light on gruesome abuses. In turn, TRCs lay the social foundations for accountability. People begin to ask questions. *What should we do next? How can we make sure this never happens again? Are criminals still running our government?* Hence, while TRCs alone cannot eliminate impunity, their ending opens a new chapter in the fight for justice.

### Problems with TRCs

- First, many of the factors that problematize prosecutions pose similar challenges for TRCs. Bias amongst commissioners can corrupt truth-seeking processes; in South Africa, for instance, many ANC leaders accused of grave rights violations were granted amnesty despite providing no substantive testimony to the commission.
  - Similarly, political obstruction can stymie movements for truth and reconciliation. For example, in Kosovo, repeated attempts (most recently by former President Hashim Thaci) to establish a truth commission have failed due to opposition by Albanian nationalist parties. Similarly, the 2005 Indonesia–Timor Leste Commission of Truth and Friendship—a TRC jointly undertaken by Indonesia and East Timor following the latter's independence in 1999—was barred from taking testimony directly from victims; pointing to this structural flaw, many citizens speculated that the commission's true purpose was to enhance the regional legitimacy of each government, rather than provide substantive justice to victims.

- Second, TRCs are handicapped by jurisdictional and administrative restraints. While courts have unique legal authority (like the right to issue subpoenas), TRCs are generally extra-legal in nature and lack the robust powers of the judiciary; consequently, getting witnesses to testify can be a challenge. Budgetary constraints pose further problems. Underfunded truth commissions struggle to fund witness-protection programs. Commission members cannot afford extensive travel to far-flung rural, mountainous provinces where crucial evidence lies.
- Third, TRCs are further constrained by narrow mandates: their research must be confined to specific times, places, and groups. When these mandates are broad and overarching, TRCs are well-positioned to uncover the important truths needed for healing—but when states afford TRCs narrow powers, the results can be disappointing. TRCs might be given just months to collect evidence, even when that's vanishingly insufficient. They might be banned from investigating crimes committed by certain ethnic groups, even if such bans aren't explicitly stated. They are commonly prohibited from “naming names” or singling out perpetrators.
  - Why might states give TRCs such little authority? Liberia is a compelling example of what happens when states impose broad mandates. When Liberia's Second Civil War ended in 2003, Ellen Johnson Sirleaf was elected as the country's new President. Upon taking office, she authorized the Liberian Truth and Reconciliation Commission to investigate the bloody crimes that had besieged Liberia during its fourteen years of civil violence. To these ends, Sirleaf's government equipped the TRC with a hefty budget—nearly \$8M annually—granted the commission powers of subpoena, permitted the TRC's chairmen to grant partial amnesty, and gave the commission the right to issue binding recommendations. Liberia's TRC exercised these powers to great success, so much so that its final report, released in 2009, presented damning evidence that many Liberian elites—including President Sirleaf herself—had played a direct role in crimes against humanity during the war. The commission was subsequently sued; consequently, the TRC's powers were partially revoked and the report was substantially edited. Nonetheless, the report was a political bombshell and illustrates why post-conflict governments have strong incentives to narrow TRCs' mandates.
  - Unfortunately, many states do exactly that. Chile's post-Pinochet truth and reconciliation commission was permitted to investigate torture that led to death, but *not* torture that didn't result in death; unsurprisingly, the report heavily underestimated acts of torture committed by the former military junta. South Africa's TRC could not investigate Apartheid policies which forcibly removed Black landowners away from their traditional homelands. In some countries, TRCs aren't allowed to publish their reports—or never get to write them in the first place.

- Furthermore, TRCs face informational barriers. State records can be destroyed or manipulated. Victims might hesitate to testify—partially because they fear the repercussions and partially because they doubt that anything will come of it. Even when information exists, TRCs might be too late in getting to it; the bureaucratic logistics of establishing truth-seeking committees are complicated and the process can take years. In that interim, crucial evidence slides into the shadows and TRC donors grow frustrated.
- Trauma poses a much deeper threat to TRCs' access to information. Speaking before a commission is painful beyond imagination; in many instances, sobs and tears drown out the words. Trauma, itself, distorts memories and how past events are described. And often overlooked is the fact that statement-takers and commission members, themselves, become “sponges of trauma,” soaking up hours upon hours of grief. This secondary traumatization can make the very act of writing a truth report challenging.
  - Additionally, TRCs are slandered by those with a vested interest in seeing them fail. For example, Ecuador's truth commission—tasked with documenting years of abuse under the dictatorial regime of former President León Febres Cordero—was (baselessly) rubbished by former military generals as collaborating with terrorists. This disparagement further complicates TRCs' access to information. That matters significantly: a truth-seeking process is only as good as its sources. When those sources are nowhere to be found, TRCs will yield little benefit; worse yet, TRCs that explicitly name perpetrators risk falsely accusing innocents of grave offenses.
- Third, truth commissions may harm, rather than help, the healing process. While many victims find sharing their experiences, others feel retraumatized; rehashing harrowing memories—and publicly, no less—can bring more distress than catharsis. Relatedly, the mass optimism surrounding TRCs can lead many victims to place too much faith in these commissions; when their experiences aren't as empowering as they'd imagined, they can feel devastated.
  - TRCs can inflict pain in other ways. When public hearings permit perpetrators to speak, victims can easily feel robbed of their voice, as those who wronged them are given a public platform to deny their crimes and tilt the narrative to their favor. This effect is amplified when perpetrators testify in greater numbers than victims, as can happen in locales where violence was so intense that most targets either died or fled.
  - Worst of all, victims commonly feel like the justice provided by TRCs is hollow and empty. More generally, TRCs are often powerless in holding the guilty accountable. Sure, TRCs can collect statements and compile multi-hundred page-long reports and host public hearings... but they can't rebalance the scales of justice or mete out true punishment. For example, Chad's TRC, which documented mass murder and torture under Hissène Habré's regime, listed not

only names, but also *photographs*, of serial human rights abusers—and even still, those abusers faced no consequences.

- Of course, many TRCs are allowed to issue recommendations—calling for reparations and monuments is a common request, for example. But governments rarely implement (or seriously consider) these recommendations. Even politicians with the best of intentions grow attached to the status quo and are reluctant to destabilize an already-fragile peace.
  - Beyond this matter, TRCs can also fail the most vulnerable. Women, in particular, are often sidelined in the TRC process; gender-based violence has historically been sidelined by many commissions. Social stigma both discourages commissioners from investigating these crimes and deters rape victims from sharing their stories. Further complicating matters is the fact that most TRCs are only tasked with investigating *politically-motivated* crimes—a term which most commissions have interpreted as excluding gender-based violence.

## **International Relations**

China's History	359
China's Century of Humiliation	364
China's Internal Politics	366
China's SOEs	368
China's Irredentism	371
Hong Kong	371
Tibet	373
Taiwan	374
China's Military Modernization	375
PLA Invasion of Taiwan	377
China's Slowdown	384
FARC Insurgency	387
Venezuela	391
Iran	394
JCPOA Timeline	396
Debating JCPOA	396
Mahsa Amini	398
Armenia/Azerbaijan	399
Yemen	401
Syria	406
Afghanistan	411
Ukraine	419
Counteroffensive's Failure	419
Western Military Aid	421
December 2023	423
Russia	426
North Korea	429
Prigozhin	430
European Union	433
Niger	438
Ecuador	440
El Salvador and Bukele	442
NATO	442
Sudan	443
South Sudan	443
Ethiopia	444
Ukraine	445

Françafrique	446
DRC	449
Jamaica	451
ICC	452
Saudi Arabia	454

## **China's History**

### **China's Ancient History**

- For nearly three-thousand years, China was ruled by a series of dynastic, hereditary monarchies, but by the 19<sup>th</sup> century, the Chinese government—then under the control of the Qing dynasty—was besieged by internal divisions and weakened by the influence of foreign powers, such as the Japanese and the British. In 1899, a group of pro-Qing Chinese nationalists, vehemently opposed to the continued control exerted by colonial forces over their nation, waged the Boxer Rebellion in a futile attempt to drive out those colonial powers; however, the Boxer Rebellion failed terribly, and resulted in the further weakening of the Qing dynasty. In response, the Qing dynasty, in a last-ditch effort to salvage its power, implemented a series of political, educational, and military reforms.<sup>1</sup> This, too, failed: hardline Confucian conservatives condemned the reforms as radical, while reform-minded activists predominantly viewed the changes as too little, too late.
- In 1911, the Xinhai Revolution saw the overthrow of China's imperial rule, and the subsequent implementation of a provisional government. While the revolution began rather incidentally, with an unintentional detonation of a bomb, large factions within the military soon mutinied<sup>2</sup> and joined forces with the rebels. By early 1912, Aisin-Gioro Puyi, the last-ever Chinese emperor, abdicated, and a new government, under the direction of Yuan Shikai, a Chinese military general. However, following Yuan's death in 1916, the non-dynastic government fell apart, and political localism reasserted itself during the so-called “Warlord Era” that saw competing military cliques vye for power in a series of disparate and disjointed civil wars.
- Given China's deteriorating and fractious nature—a far cry from China's once-glorious status as a regional power—an unusual political alliance known as the “First United Front” emerged between the KMT and the CCP, which sought to reunify China.
  - The KMT, or Kuomintang, best known as the Chinese Nationalist Party, which endorsed a narrative of strong Chinese nationalism, even while it disavowed the Marxist ideology of its communist rival.

---

<sup>1</sup> These reforms were an extension of the Self-Strengthening Movement, which rose to prominence after the Anglo-Chinese Opium Wars and pushed for the Westernization of China's military and economic structures. For instance, Western military technologies and strategies were incorporated into the ranks of the Chinese military.

<sup>2</sup> This happened most directly because many within the military resented the lack of modernization under the Qing dynasty.

- The CCP, or Communist Party of China, was founded in 1921 and advocated initially for Soviet/Russian-style Bolshevik communism to be implemented in China to uplift the working-class rural poor.
- In 1927, this unified front collapsed when Chinese Nationalists purged CCP officials from the United Front; soon afterward, the KMT (Nationalists) succeeded in uniting China, and proclaimed the Republic of China. This subsequently led to the beginnings of the Chinese Civil War, which saw the KMT and CCP fight throughout mainland China. However, during World War II, the two political movements joined forces once again to form the Second United Front to ward off the invading Japanese/Axis Powers. After the Japanese war effort failed and the puppet government in China, under Japanese administration, collapsed, the Civil War between the Nationalists and Communists resumed; this second phase of the conflict, which took place between 1945 and 1949, is generally known as the Chinese Communist Revolution.
- The CCP-backed People's Liberation Army ultimately defeated the KMT-backed Republic of China Army. As a consequence, Chinese Nationalists were exiled to the island of Taiwan, while the Communists, under Mao Zedong, Chairman of the Party, proclaimed the formation of the People's Republic of China.

### China Under Mao

- As the Chinese Civil War brutally raged on, Mao Zedong, influenced by theories of anti-imperialism and Chinese nationalism, rose through the ranks of the Chinese Communist Party, and played a crucial role in leading the Communists to victory in their revolutionary campaign against the KMT. Before the PRC's military success, however, Mao consolidated power and began developing a cult of personality by redistributing land to peasants and by actualizing the Yan'an Rectification Movement, which sought to crack down on enemies of the CCP, to attack the social and political power wielded by intellectuals and academics, and to instill Communist ideas within Chinese culture.
- After 1949, Mao became the *de facto* dictator of China; under his rule, China ostensibly promised to protect a wide variety of civil, political, and human rights, including equal rights for women and intellectual freedoms for things like speech, assembly, and correspondence, but in practice, Mao's CCP ruled with an iron fist and cracked down heavily on counter-revolutionary movements and suspected enemies of the state. For instance, the Three-anti and Five-anti Campaigns saw China aggressively persecute thousands of people suspected of corruption or association with material capitalism. Similarly, other political movements and campaigns, like the Socialist Education Movement, the Anti-Rightist Campaign, and the Sufan Movement resulted in similar outcomes—mass purges of capitalists, ideological adversaries of communism, corrupt officials, supporters of the political right-wing, and KMT sympathizers. These measures, combined with extensive Chinese propaganda, helped Mao to further solidify his cult of

personality within Communist China and further consolidate power by purging any possible enemy of the state through the Great Leap Forward.

- Mao's approach to governing relied heavily on the principles of Marxist-Leninism. Under his rule, China pursued a Soviet-style command economy, and within this framework, Mao pursued intense policies of industrialization through Five Year Plans, the first of which came in 1953.<sup>3</sup> In 1958, Mao launched China's "Great Leap Forward," which tried to radically restructure the Chinese economy away from subsistence agriculture and towards industrialized manufacturing. Under this system, economic planning was further centralized within the hands of the Communist Party, but more importantly, private agriculture was banned, forcing all farms in China to operate under a system of collectivization. This ultimately led to economic disaster, and the worst famine in human history, in which an estimated *forty-five million people* starved to death—and even though China's industrial output and population surged in totality, China's embrace of Maoist ideology led to a staggering loss of life and a profound quantity of sheer human suffering. Several factors contributed to the failure of the Great Leap Forward:
  - First, much of the motivation behind Mao's pursuit of aggressive and unsustainable collectivization/industrialization was irrationally driven by egotistical desire, rather than logical rationale: in 1956, China and the Soviet Union had split from each other over irresolvable ideological fractures. Mao, desperate to demonstrate the superiority of China's "pure communism" over Nikita Khrushchev's post-Stalinist reorientation of the Soviet Union's economy, demanded that production quotas be raised ever-higher within China, forcing Chinese communities to metaphorically tighten their own belts ever-further.
  - Second, between 1953 and 1958, local officials began lying about local levels of production so they could avoid public humiliation or even execution from dissatisfied CCP top-brass bureaucrats in Beijing; this made Central Party planners overconfident in the health of the Chinese economy, thereby incentivizing them to raise quotas/projected targets *even higher*, which amplified pressures on Chinese farming and industrial communities to unsustainable levels.
  - Third, China compensated workers with little regard to each worker's level of output, which created a relative disincentive to work; in the long run, this eventually contributed to a massive food shortage, as collectivized farms became increasingly inefficient and production slowed.
  - Fourth, the centrally-planned nature of China's industrialization resulted in materials shortages and mismanaged coordination efforts; for instance, China constructed thousands of backyard furnaces and expected local communities to use those furnaces to increase Chinese steel production. This failed, however, because most of the furnaces could only produce low-quality crude "pig" iron.

---

<sup>3</sup> As an interesting note—since China's transition to a mixed-market economy within the past two decades, China has renamed these "plans" to "guidelines," to better reflect the shifting nature of the Chinese economy.

- Fifth, ineffective farming practices were implemented across China, particularly because many of the officials ordered by Mao to oversee agricultural collectives weren't suited for the complexities of agricultural engineering. For instance, China attempted to exterminate nearly all sparrows from the country,<sup>4</sup> since Mao believed their consumption of grain stymied agricultural output; however, this backfired, as locusts—which are normally kept in check by sparrows, which are their natural predators—swarmed farms and destroyed huge amounts of otherwise-arable farmland. This was also worsened by China's dual approach to economic development—not only did Mao's Great Leap Forward attempt to revitalize China's agricultural sector, it *also* attempted to transform China into a leading global producer of *steel*, which necessitated the relocation of millions of able-bodied men into urban steel-producing facilities. This left much of the backbreaking and grueling agricultural work to the women, children, and elderly left behind in rural areas.
  - In totality, the Great Leap Forward was called off by 1962, having killed tens of millions of Chinese individuals and having largely failed to invigorate the Chinese economy in the utopic manner predicted by Mao.
- Four years later, in 1966, Mao launched a wide-reaching socio-political movement known as the Cultural Revolution, which saw the re-emergence of radical Maoist leadership after several years of moderate policymaking following the Great Chinese Famine. While the Cultural Revolution had many components, the central goal was to reassert Mao's control over the CCP and inspire China's youth to rid the country of "impure" elements of its political, social, and cultural structures that were, in Mao's view, sapping strength from the revolutionary movement—and most importantly, the goal was to eliminate the "Four Olds," or *old customs, old culture, old habits, and old ideas*. Mao widely distributed his *Little Red Book*<sup>5</sup> to re-instill Maoist sentiment within the Chinese masses. He encouraged students and China's upcoming generation to carry on the revolution; this resulted in the formation of dozens of paramilitary groups, like the Red Guards, which violently attacked Chinese intellectuals. High-ranking Communist leaders, such as China's President Liu Shaoqi, were purged from power and summarily executed. Cultural artifacts were destroyed, thousands were killed in public spectacles of murder and massacre, cities were plunged into near-anarchical states as factionalism within paramilitary organizations manifested in street violence, and, during the "Down to the Countryside Movement," millions of privileged youth intellectuals were forcibly relocated to poor, rural provinces to be rid of their pro-bourgeois mindsets.

---

<sup>4</sup> The primary way China tried to do this was by making millions of peasants clang pots and pans outside their doors and windows to make sparrows and other grain-eating birds so tired yet incapable of resting (due to the din) that they would drop dead.

<sup>5</sup> The *Little Red Book* contained a variety of speeches and essays from Chairman Mao Zedong. Millions of copies were printed and distributed throughout the nation to the peasantry.

### China Under Deng Xiaoping

- Although Mao Zedong's rule came to a close by the late 1970s, it would take several years for China to establish a new hierarchy of well-defined power; eventually, a reform-minded centrist official named Deng Xiaoping, who had been a target of Mao's former purges, outmaneuvered other prospective CCP leaders and became the paramount leader of the Chinese government. Xiaoping was highly disenchanted with Maoist ideology, but was highly impressed by Singapore's expert-driven and technocratic approach to governance. This, combined with the ruinously fragmented state of the Chinese political and social landscape that Deng Xiaoping inherited from his predecessor, created an impetus for reform.
- Xiaoping privately disavowed Mao's obsession with ideological purity, and instead opted to pursue a *realpolitik* agenda of economic pragmatism:
  - Economically, China pursued a variety of reforms that accelerated the growth of China's economy, and replaced the Maoist/Soviet-style command economy with a system widely known as "socialism with Chinese characteristics." Beginning in the late 1970s, China de-collectivized its agricultural industry and liberalized its economy, such as by allowing greater inflows of foreign capital, permitting entrepreneurs to open private enterprises, and implementing the Chengbao system.<sup>6</sup> By the mid-1980s, China under Deng Xiaoping cozied up even more to the principles of market capitalism: for instance, price controls on many consumers goods were lifted, protectionist barriers to trade were revoked, regional trade agreements were forged, and China further deregulated its communist-style economy in pursuit of WTO<sup>7</sup> membership and influence within the global economic order, such as by creating special economic zones in cities like Shenzhen. In totality, these reforms contributed to staggeringly high growth rates, often exceeding 9% annually.
  - Socially and culturally, Xiaoping reversed the anti-establishment momentum generated by Mao's Cultural Revolution, and instead sought to return Chinese society to a state of normalcy through the "Boluan Fanzheng" movement. Under this, China's constitution was significantly revised, the structure of the CCP reformed, the gaokao university entrance exam restored,<sup>8</sup> and the image of intellectualism and academic thought rehabilitated. In short, Xiaoping worked to restore the stability and continuity that had been thrown into upheaval during Mao's tenure as China's paramount leading figure. Demographically, Deng's China implemented a strict one-child policy to curb explosive population growth;

<sup>6</sup> The Chengbao system partially privatized many state-owned firms by contractually leasing the provision of services, like bus lines and hospitals, to private enterprises, in exchange for those enterprises agreeing to pay a handsome royalty to the state. To be clear, though, the largest state-owned enterprises in China—particularly in sectors like petroleum extraction and financial services—were not affected by the Chengbao system.

<sup>7</sup> The WTO is the World Trade Organization, which was officially established in 1995; China joined the WTO by 2001.

<sup>8</sup> Deng Xiaoping also mandated a nine-year education for all children in China.

while population controls had officially been implemented under Mao, they were tightened and more robustly enforced under Xiaoping's rule.

- Politically, China moved to normalize diplomatic relations with the US, proposed the “One Country, Two Systems” principle that would later guide China’s approach to dealing with Macau and Hong Kong, and pursued domestic political reform through Constitutional revisions and term limits.
- However, Deng’s power was, inevitably, marred by controversy. His relative opposition to Maoist ideology prompted backlash from those supportive of Mao and his cult of personality. Additionally, his embrace of economic liberalization—which had previously been castigated by Mao—exacerbated economic inequality, raising questions about China’s continued status as a communist power. Internationally, Deng’s oversight of the brutal military crackdown on the Tiananmen Square protests led to outcry and condemnation.

### *China’s Century of Humiliation*

- For thousands of years, China held supreme power in East Asia. Across many monarchs, dynasties, and empires, China wielded immense cultural power, economic might, geopolitical influence, and territorial holdings. China’s cosmopolitan identity blended hundreds of ethnic, religious, and linguistic communities. Trade—particularly of porcelain, tea, and silk—enriched China beyond measure; China’s “Silk Road” dominated Eurasian trade routes and enabled unprecedented interaction between the East and the West.. The legal, literary, and religio-philosophical customs of the Chinese people permeated foreign cultures near and far.
  - Imperial China’s legacy endures to this day. The Great Wall of China spans over twenty-thousand kilometers. Daoist and Confucian scholarship continue to influence societal norms and socio-political philosophy. Chinese calligraphy and poetry capture the essence of Chinese culture. The mysterious Terracotta Army buried deep underground illustrates the military prowess of a bygone China.
- Yet disaster struck soon. The British East India Company, the commercial lynchpin of the British Empire, began exporting opium to China—both to exploit the significant demand for opium within China and to narrow Britain’s trade deficit with China. Qing officials quickly grew outraged and prohibited further imports of opium into Chinese ports. When a Qing Imperial Commissioner dumped over a thousand long tons of opium into the Pearl River in mid-1839, the British declared war.
- China was rapidly crushed. On September 4<sup>th</sup>, 1839, British warships raced up the Yangtze River, guns ablaze, to forcibly open China’s ports to the opium trade. The Qing Dynasty resisted bravely, but hoisted the white flag of surrender just three years later. Britain coerced China, knee bent, into signing the Treaty of Nanking and subsequent Treaty of Whampoa, which collectively ceded Hong Kong to the British Crown, imposed

hefty indemnities upon China, and granted British merchants unfettered access to China's trade markets.

- China's punishing defeat after the First Opium War marked only the beginning of China's infamous "Century of Humiliation." Hostilities broke out again in 1856 in the Second Opium War with British and French forces jointly invading mainland China, sacking China's prized Imperial Gardens, marching on the Forbidden City in Beijing, and imposing the lopsided Convention of Peking upon Chinese leadership. Hungry for land, Tsarist Russia concurrently threatened to invade China's northern borders; the Qing Dynasty was already overrun by Western imperialists and had no choice but to sign away Manchuria to the Russians in the Treaty of Aigun. Years after, the 1884 Sino-French War dispossessed China of its territories in Vietnam and Indochina.
- The 1894 First Sino-Japanese War marked a turning point in East Asian geopolitics: when the Japanese military, buttressed by Meiji Restoration reforms, eviscerated the floundering Qing army on the battlefield, Japan finally established itself as the preeminent Asian power. China lost both Korea and Taiwan to Japan in a devastating symbolic blow to the Chinese.
- The turn of the century did China no favors. In 1901, anti-imperialist and anti-Christian Boxer rebels were met with a swift crackdown by the foreign powers pulling China's strings. The end of World War I saw Japan attempt to claw further influence in China through its Twenty-One Demands. Though Japan's Western allies balked at Tokyo's demands, China's sovereignty was short-lived: Hirohito's Japan invaded Manchuria in 1931; Stalin's USSR invaded Xinjiang in 1934; and Japan finally invaded China proper in 1937. The war crimes committed by Japanese forces against Chinese civilians—for instance, the Rape of Nanking and Unit 731—are truly unspeakable.
- *This was China's Century of Humiliation:* Between 1839 and 1949, each conflict, war, and treaty inflicted further pain upon the Qing Dynasty, with defeat further diminishing the once-mighty status of the Chinese state. China signed away lavish extraterritorial privileges to the British, French, Americans, Russians, and Japanese. Cities were overrun by hostile adversaries. Cherished cultural icons were pillaged and rubbed. China was cut and skewered and dissected and distorted.
- The Century of Humiliation features prominently in the ideology and political-economy of the Chinese Communist Party. At 3:00 pm on October 1<sup>st</sup>, 1949, Chairman of the CCP Mao Zedong stood atop the towering Gate of Heaven-Sent Peace along Chang'an Avenue in Tiananmen Square and proclaimed the foundation of the People's Republic of China. Mao's speech made clear that the CCP would not tolerate further blows to China's greatness: "The Chinese have always been a great, courageous and industrious nation; it is only in modern times that they have fallen behind. And that was due entirely to oppression and exploitation by foreign imperialism and domestic reactionary governments... From now on our nation will... no longer be a nation subject to insult and humiliation. We have stood up."

- Hence, the CCP's founding narrative is a story of loss and redemption. The Chinese Communist Party was forged out of a crucible of suffering and shame at the hands of foreign imperialists. This is the narrative broadcast through Chinese propaganda, integrated into China's educational curriculum, and instilled within the next generation of Chinese bureaucrats.

#### Key Events in China's Century of Humiliation

First Opium War (1839)	Second Opium War (1856)	1st Sino Japanese War (1894)	Boxer Uprising Protocol (1901)	Twenty One Demands (1915)	Japan's Mukden Incident (1931)	Invasion of Xinjiang (1934)	2nd Sino Japanese War (1937)
------------------------	-------------------------	------------------------------	--------------------------------	---------------------------	--------------------------------	-----------------------------	------------------------------

#### China's Internal Politics

##### Structure of the Chinese Government

- Political decision-making power is consolidated within the **Politburo** of the Chinese Communist Party. The politburo consists of the 25 highest-ranking members of the CCP. Of those 25, 7 are members of the Politburo **Standing Committee**, which represents the topmost leadership elite within the CCP. The Standing Committee is *de facto* the most politically powerful body within China—it commands the full force of the law, and the members who sit on it hold powerful positions within the Chinese government. The Politburo and the Standing Committee are both self-perpetuating bodies: informal straw polls amongst current and retired members of the Politburo are conducted when determining who will be allowed into the committee. Every Premier (*de facto* Prime Minister) and President of China have come from the Standing Committee.
- The Chinese **Organization Department** is responsible for vetting and selecting CCP members, as well as appointing them to positions of power within the Chinese government. It was originally established in 1949 when China feared that Taiwanese spies would infiltrate communist party ranks. The role of the Organization Department is to ensure that party members remain loyal to the CCP; more recently, the Organization Department has also played an important role in maintaining patronage networks within China. Since the Organization Department determines which party members can be promoted and which party members can be given special privileges, the Organization Department plays a critical role in providing favors to CCP loyalists.
- China maintains political power and **legitimacy** in two ways: (1) providing **economic benefits** to the Chinese people, and (2) maintaining a **system of patronage** whereby CCP leaders in positions of power appoint their loyal protégés in various other positions below them, and as they themselves are promoted higher up in the ranks of the government, they ensure that their loyal followers are also promoted. In addition, the CCP relies on four main institutions to protect its power.

- (1) The National Security Commission represents the internal security apparatus of the CCP and is used to crack down on militant threats to the Chinese state.
- (2) The People's Liberation Army is China's nationwide military and is directly controlled by the CCP; the PLA's chief purpose is to protect China from foreign, hostile actors.
- (3) State-owned enterprises have historically been used by the CCP to control the economic development of China and reward patrons of the CCP with bountiful leadership positions.
- (4) The Publicity Department of the Central Committee is responsible for manufacturing and disseminating propaganda within China; most of this propaganda portrays China as a strong and powerful nation with a flourishing economy.
- CCP internal-party politics are dominated by three main factions:
  - (1) The **Shanghai Gang** arose under Jiang Zemin, who operated as Shanghai's mayor until 1989. During this time, he developed an extensive political network of allies and patrons, so when he was appointed as the CCP's Party Secretary, many leadership positions within the provincial and central levels of the Chinese government were filled with Jiang's personal supporters. The Shanghai Gang largely favors the **coastal elite** (e.g. cities like Shanghai). For instance, under Jiang's rule, 86% of foreign investment into China was directed towards the east coast, despite the western portions of China representing 71% of all Chinese land. The Shanghai Gang is dominated by the **princelings**, who are descendants of powerful Chinese revolutionaries. The Shanghai Gang is generally viewed as being the more "elite" and "old guard" faction within the CCP. The Princelings have focused on a return to Maoist style socialism with changes to suit contemporary China: they've focused on state-assisted growth.
  - (2) The **Chinese Communist Youth League** (CCYL), arose under the reign of Party Secretary Hu Jintao. Those who come from the CCYL within the CCP are known as the Tuanpai. Unlike the Shanghai Gang, the CCYL focuses largely on reorienting China's political and economic focus towards **interior regions** away from coastal cities. For instance, Shanghai's construction boom during the 1980s and 1990s was substantially limited when Secretary Jintao of the CCYL came into power in the early 2000s. The Tuanpai are populist, focusing on the lesser-privileged and the Chinese hinterland.
  - (3) More recently, the "**Xi Gang**" has risen to power under Xi Jinping's tenure as General Secretary within the CCP and President of China. The Xi Gang is composed of CCP officials and leaders with personal, professional, or educational connections to Xi and are fully loyal to Xi. The Xi Gang favors more aggressive Chinese foreign and security policies: this looks like the CCP's crackdown on the autonomy of Hong Kong, the restrictions imposed on private-sector businesses in

China, and the increasing levels of crackdown on dissidence within China. The Xi Gang has made the elimination of rural poverty a top priority domestically and has sought to expand China's power globally as its chief foreign policy priority. However, Xi is also known widely as a princeling—he came from a privileged background.

- Prior to the rise of Xi Jinping, the Shanghai Gang and the CCYL engaged in power sharing within the apparatus of the Chinese government. For instance, the President alternated back and forth between the Shanghai Gang and the CCYL, and whichever faction was not in control of the General Secretary position held more influence within the Politburo Standing Committee. Additionally, the differing ideological views of the factions resulted in hybrid policy-making, whereby policies implemented by the CCP reflected the needs of different socioeconomic and geographic constituencies. Interestingly, Xi Jinping has sought to undercut the stability of this two-party power-sharing system in order to decrease the relative power of the other two factions and improve the political leverage of his own faction, the Xi Gang. He has done this in a few ways:
  - First, Xi has implemented a brutal crackdown on corruption within the internal ranks of the CCP. He's used this as a tool to eliminate influential political rivals of opposing factions from even the most powerful organs of the PRC. For instance, he's purged multiple Politburo members and top generals at the Central Military Commission from leadership positions within China.
  - Second, Xi has embraced a two-faceted public image to reduce the perceptual credibility of the Shanghai Gang and the CCYL. He has embraced his elite heritage (as the son of the first Secretary General of the Chinese State Council) while also touting his work in the rural countryside of China during the Cultural Revolution under Mao. In this way, he undercut the messaging of both the princeling faction of the Shanghai Gang and the interior-focused factions of the CCYL.
  - Third, Xi launched an ambitious \$41 billion plan to eliminate rural poverty in China to directly compete with the CCYL's supposed representation of underdeveloped rural provinces.
  - Fourth, Xi has used state media to publicly criticize the CCYL and the Shanghai Gang for being corrupt, inefficient, and elitist.

## **China's SOEs**

### **Problems with Chinese SOEs**

- SOEs are highly over-leveraged and structurally less efficient than their private peers. Stagnating growth throughout China's public sector has led to a shrinkage in its overall asset holdings.

- The combination of numbers 60/70/80/90 are frequently used to describe the private sector's contribution to the Chinese economy: they contribute 60% of China's GDP, and are responsible for 70% of innovation, 80% of urban employment and provide 90% of new jobs.
- Private wealth is also responsible for 70% of investment and 90% of exports. The portion of exports from private enterprises might diminish as SOEs undertake more infrastructure projects in countries involved in the Belt and Road Initiative (BRI), increasing their public stakes in China's exports. The success of China's private technology sector is also worth noting. Huawei is leading the global 5G revolution and the company is eager to spread its innovation globally.
- SOEs are often criticized for abusing their preferential access to loans, and for lobbying for regulations which drive out competitive private companies. It is widely argued that the SOEs would not survive in an innovation-driven market environment without the perks they currently enjoy.
  - A key indicator is the relative shares of fixed-asset investments (investments in machinery, land, buildings, and the like) by state-owned enterprises and private firms. In 2010, each accounted for around 42.5% of China's total fixed-asset investment. By 2015, according to the National Bureau of Statistics, the private share had surged to 50% and the state had plummeted to 32%.
- The inefficient management of government corporations has also worsened thanks to a high turnover rate among executives sparked by President Xi's anti-corruption campaign. On one hand, the companies are relieved of corrupt executives—but on the other, SOEs are left with management who lack a coherent strategy..
- One of the major issues with local government debt is that local governments have been taking on new debt in order to repay old debt, rather than investing in new infrastructure projects. This is because a long period of time is required before infrastructure projects, such as shanty town renovations or park constructions, can become profitable.
  - Refinancing bonds accounted for about 56 percent of the newly issued local government bonds, up from 20 percent in the past two years. Bonds used for refinancing have crowded out bonds used for infrastructure projects to some extent. Already, infrastructure investment declined 3.6 percent year-on-year in May 2021 alone.

### Reforming Chinese SOEs

- The State-owned Asset Supervision and Administration Commission (SASAC) is making great strides in implementing the government's '*zhuada fangxiao*' (grasp the big, release the small) policy, which has greatly reduced the number of SOEs through privatization, asset sales, and mergers and acquisitions. The Commission, which was established in 2003, is currently concentrating on restructuring the remaining SOEs into modern profit-oriented corporations. Practically all of the entities overseen by SASAC are

structured as corporations and are legally separate from the government with their own boards of directors, effectively delegating more authority to the executives. There is also substantial work being done to improve SOEs through reorganization, restructuring and enhancing their internal governance standards. The government went as far as introducing mixed ownership in telecoms company China Unicom, by selling shares worth around \$11 billion to 14 private investors. This was done as a step towards making China Unicom more accountable and more focused on generating returns on equity, while retaining state control.

- The Chinese government is still keen on supporting SOEs and is committed to making them bigger, stronger and more efficient. This is particularly relevant to certain strategic sectors where government oversight is essential—specifically in defense, energy, telecom, aviation and railway systems. Conversely, the state is encouraged to divest from other industries by decreasing its ownership.
- SOEs are frequently utilized as a mechanism for implementing policy, providing socioeconomic stability and building infrastructure. This coherent strategy has led to the emergence of megacities such as Hangzhou and Shenzhen, which have demonstrated the potential of entities operating collaboratively under state guidance. The CPC sees these types of cooperation as worthy of the costs of centralized governance. The government has proved its commitment to market-oriented reforms by boosting support for entrepreneurship through tax cuts worth around \$300 billion. The state is also encouraging innovation in ‘deep tech’ through state-funded venture capital funds, establishing start-up accelerators and high-tech business parks.

### **SOE Reform Fails**

- Central state-owned enterprise leaders are far from passive Party agents. They possess vice-ministerial or ministerial ranking, and in some cases have authority on par with the very government agencies that monitor them. Executives also wield deep personal networks they can leverage to resist change. A lucky few possess family or political connections with top leaders, further insulating them from government pressure.
- Many executives lack incentives to prioritize Party orders over their personal interests. During the Hu Jintao era (2002-2012), more than half of the leaders of central state-owned companies were late-career appointees and retired directly after their posts ended. With no prospect of political promotion, many executives are deeply reluctant to implement reforms and change a status quo from which they personally profit—legally or otherwise.

### **LGFVs**

- Many SOEs in China are “local government financing vehicles.” It’s very hard for local governments to directly take on debt (for instance, they’re not allowed to issue bonds) to fund infrastructure projects. Most local governments get around this by creating special

state-run firms known as LGFVs (local government financing vehicles). These state-run infrastructure firms are allowed to raise debt and subsequently use that debt to build infrastructure.

- Problems with LGFVs are widespread:
  - Most of this debt is secured, i.e., backed by physical collateral, but there's a ton of obscurity that makes it very difficult for external investors to know how valuable that collateral is, so there's speculation that if more of these LGFVs start to fail, investors will get screwed over when the collateral they seize is way less valuable than the underlying loan, which could cause economic crisis.
  - Local and regional governments are becoming increasingly unwilling to bail out LGFVs that default on debt. This is for a variety of reasons, but most importantly it's because many local governments in China, especially those in rural areas, are cash-strapped particularly during the pandemic.
  - Chinese banks are becoming increasingly skeptical of the long-term financial viability of LGFVs; a leaked memo from several months ago circulating between major Chinese banks revealed that most state-run banks are opting to not provide further loans to LGFVs out of fear of an impending default crisis. This isn't just true for local SOEs, but for the \$19.3 trillion Chinese bond market, i.e., investors fear impending collapse/recession (especially given the struggles of even private firms like Evergrande).

## **China's Irredentism**

### *Hong Kong*

- In 1997, in what was known as “The Return” in mainland China and “the Handover” throughout the wider world, Great Britain, in what is often seen as the definitive end of its status as a global empire, returned all administrative and political control of Hong Kong to the Chinese government. At the time, Hong Kong was declared to be a “special administrative region” of China—a legal phrase that simply meant that Hong Kong would retain a relatively high degree of political, economic, and social autonomy, even though it would technically be under Chinese control. This retention of political and economic independence was initially suggested in the 1980s, when Deng Xiaoping, a political leader referred to as the “Architect of Modern China” for his proposal of wide-reaching economic reforms, advocated for the principle of what he called “one country, two systems.” Under this principle, Hong Kong would be considered a part of China—“one country”—but would retain a great degree of administrative privilege and power—“two systems.” This policy was intended to allow mainland China and Hong Kong to possess their own legal and governmental systems, as well as to enable Hong Kong to control its own financial and trading affairs. And indeed, under the “one country, two systems” principle, Hong Kong has, for the most part, been able to retain a meaningful degree of political autonomy, such as through the “Basic Rule,” which serves

as the de facto constitution of the Hong Kong government. Additionally, when Britain agreed to transfer control of Hong Kong to the Chinese in 1997, China pledged to keep this system of “one country, two systems” in place until 2047—or fifty years after the agreement between Britain and China. Although there were various instances of disagreement between Hong Kong and China throughout the early 2000s—such as in 2003, when China sought to mandate a new set of educational curriculum that praised Chinese-style communism—tensions between the two began to rise within the past several years over the matter of extradition. For instance, in 2015, in what became known as the Causeway Bay Book disappearances, several journalists who had been critical of the communist government in Beijing disappeared and were confirmed to have been extradited to mainland China. In early 2018, the issue was re-aggravated when a Hong Kong resident murdered a woman in Taiwan before returning to Hong Kong. Problematically, there was disagreement over how to handle the situation—the crime had been committed in Taiwan, yet there were no agreements between Taiwan and Hong Kong that would allow for Taiwan to handle the criminal proceedings. In response, a prominent Hong Kong party sympathetic and supportive of the Chinese Communist Party pushed for the passage of new legislation that would allow for the extradition of Hong Kong residents to virtually any jurisdiction within China. Unsurprisingly, the government in mainland China became a fierce supporter of the bill, as its passage would allow for the Chinese government to limit the legal and judicial autonomy of Hong Kong. A prominent Hong Kong leader, Carrie Lam, advocated for the addition of an amendment to the bill that would allow criminals of Hong Kong residency to be tried and punished in mainland China.

- In response to this development, thousands of Hong Kong protestors gathered in the streets to highlight the moral hazards of the bill. Primarily, protestors feared that, if China had the power to extradite suspected criminals, China would have immense power to stifle free speech and crack down on pro-democracy advocacy. By June of 2019, over five-hundred thousand Hong Kong residents gathered to protest the bill and Lam’s proposed amendment. Just a month later, several dozen protestors were arrested for their actions, triggering further anger at the Chinese government. As the protests continued throughout July, August, and September, Lam—the original proponent of the amendment to the bill that would allow for extradition of Hong Kong criminals to mainland China—formally withdrew the amendment from the bill. Problem solved? Not exactly. Pro-democracy Hong Kong activists argued that Lam’s action was “too little too late,” and as protests continued, universal suffrage increasingly became an aim of many protestors. By October, protests began to turn violent. On October 1st, a protester was shot, and later that month, Jimmy Sham, a major LGBTQ and political rights activist, was violently attacked, leading to his hospitalization. As the fight spread, Hong Kong students increasingly became central advocates in the fight for freedom and autonomy. In response to the growing strength of the protests, police became increasingly violent and abusive;

for example, in mid-November, a student protestor, Chow Tsz-lok, died in the midst of the protests. Protests continued throughout November and into 2020. Last year, China passed a restrictive national security law in Hong Kong which gives mainland Chinese authorities broad authority to crack down on protests in Hong Kong. For instance, the law gives China the power to arbitrarily classify activists or organizations as threats to national security and treat them as terrorists. The passage of the law triggered widespread protests throughout Hong Kong.

### *Tibet*

- Tibet is a territory in East Asia, bordering both China (to the North and East and India to the West), populated by primarily the Tibetan people, who represent approximately 90% of the Tibetan population. The dominant religion within Tibet is a variant of Buddhism known as “Tibetan Buddhism,” and the region’s main economic output is subsistence agriculture.
- Tibet’s contemporary history has been fraught with tension, particularly with its geopolitically powerful neighbors, India and China. In 1950, the People’s Republic of China, which had recently emerged victorious from the Chinese Communist Revolution under Mao Zedong, invaded and annexed Tibet, a region which had historically, until the 1911 Xinhai Revolution, been under Chinese control, and a region which both the PRC and ROC had desired to claim as a region of the Chinese Republic.
- In 1951, when China had successfully taken over Tibet, it coerced the Dalai Lama, the highest spiritual leader of the Tibetan people, into signing the Seventeen Point Agreement, which legitimized the PRC’s claims over Tibet and justified the People’s Liberation Army’s military expansion into Tibet during the invasion process, but also granted Tibet a degree of regional autonomy.
- Subsequently, in later years, the Dalai Lama repeatedly rejected the agreement and publicly decried that Tibet had been manhandled into accepting the proposed peace agreement. In 1959, a series of protests against Chinese rule took place across Tibet, largely fueled by fears that China would soon seek to arrest the Dalai Lama, who wields significant religious and spiritual significance within Tibetan culture. Protests were forcibly cracked down upon, but in the aftermath, the Dalai Lama fled to neighboring India where he was granted asylum, and where a Tibetan government-in-exile was declared. Three years later, in 1962, China and India fought a war in disputed Himalayan regions proximate to Tibet, which eventually concluded in a Chinese victory. Mao’s economic Great Leap Forward incurred an enormous humanitarian toll on the Tibetan people, and the Cultural Revolution within China destroyed the vast majority of symbolic and culturally significant sites within Tibet, including over six-thousand monasteries. Since then, human rights abuses have been rampant within Tibet, and while Tibet is officially recognized as an autonomous region of China, the CCP wields significant influence within the region.

- For instance, many Tibetan individuals have been tried within Chinese courts and there have been widespread accusations of physical and cultural genocide against the Tibetan people. In 2008, another series of wide-reaching protests erupted across Tibet. The CCP sent in further military reinforcements to crack down on dissidence, and has subsequently maintained a strong presence within Tibet.

### *Taiwan*

- Between 1927 and 1949, China was dominated by an internal, intermittent civil war between the governmental Republic of China and the Chinese Communist Party. After the Chinese Communist Revolution, in 1949, the CCP expelled the Chinese Nationalist Party (or the “KMT”), the leading force within the Republic of China, out of mainland China. The KMT fled to Taiwan, which is separated from mainland China by the Taiwan Strait, where it implemented the authoritarian White Terror, cracking down on dissidence and ensuring the security of one-party rule; martial law was imposed. The US and much of the West recognized the ROC (that is, Republic of China) in Taiwan as the legitimate government of China and refused to recognize the Communist CCP-led government in mainland China.
- Throughout the 1950s and 1960s, Taiwan underwent a dramatic period of economic growth due to a healthy combination of export-oriented industrialization, economic liberalization, and US economic aid. This was known as the “Taiwan Miracle,” and alongside other rapidly-industrializing economies like Singapore, Hong Kong, and South Korea, Taiwan became known as one of the “Asian Tigers.” Throughout this period, martial law reigned supreme within Taiwan, and relations between China and Taiwan remained nonexistent, and throughout the early years of the ROC-PRC dispute (where ROC is Taiwan, PRC is mainland China) violent conflict broke out on several occasions, such as during the First Taiwan Strait Crisis in 1954 and the Second Taiwan Strait Crisis in 1958. Additionally throughout this time, Western-backed international bodies like the UN continued to recognize Taiwan as the legitimate government of China, which meant that the KMT was given permission to keep China’s seats in those international bodies. In 1971, Albania, a close ally of the People’s Republic of China, introduced a UN proposal to remove Taiwan’s membership in the UN and replace it with the PRC. The proposal ended up passing with the required two-thirds support of UN member states, since the US wanted to maintain stronger relations with the PRC to aid in its proxy efforts in Vietnam during the Cold War with the Soviet Union. (Relations with the US and China grew even stronger in following years, like when Nixon traveled to the country in the following year).
- Subsequently, Taiwan gradually began on a path towards democratic liberalization. In 1975, the leader of the KMT, Chiang Kai-shek, died, and his son, Chiang Ching-kuo, began a series of gradual reforms. Perhaps most importantly, Ching-kuo allowed the promotion of native Taiwanese people into higher levels of government, a stark contrast

from his father, who had nearly exclusively prioritized promoting those who had fled from China in 1949, rather than those that had lived in Taiwan for longer periods of time. Two years later, in 1977, Taiwanese opposition parties secured their first victories in national elections, yet two years after that, a series of protests broke out across Taiwan, which were forcibly shut down, and opposition leaders were arrested in what was known as the Kaohsiung Incident. This drew international attention to the shocking political repression within Taiwan, and is widely considered a pivot point in Taiwan's movement towards liberal democracy.

- Throughout the 1980s, Taiwan became increasingly democratic, and in 1987, martial law in the country was suspended. By 2000, the KMT had lost its first presidential election, and human rights were increasingly well-protected. During this period, the question of Taiwanese secession became particularly controversial. In 2004, when Chen Shui-bian was re-elected to the Taiwanese presidency; this worried the Chinese Communist Party (the governing authority of mainland China), since Shui-bian has been explicitly pro-independence in his rhetoric in the past. In response to his re-election, China passed an “anti-secession” law that declared China would be willing to use non-peaceful means to ensure that Taiwan does not secede from the PRC.
- In 2016, an even more explicitly pro-independence candidate, President Tsai of the Democratic Progressive Party, was elected into office. This further ignited cross-Strait tensions, which grew more intense when President Trump spoke on a phone call with Tsai, the first formal connection between the US and Taiwan since 1979. China has sought to crack down internationally on countries and companies that have recognized Taiwanese independence from mainland China, and more recently, has violated Taiwanese airspace by flying Chinese military fighters illegally through Taiwan’s territory.

### **China's Military Modernization**

- **China's Bismarckian Ambitions:** With the People's Liberation Army due to celebrate its centennial anniversary on August 1, 2027, the CCP is ramping up its military modernization initiatives. Xi Jinping's 20th National Congress Report in October 2022 made clear that the CCP views military power as inseparable from the “great rejuvenation of the Chinese nation.” In 2015, China's State Council Information Office released a white paper stating that the “Chinese Dream is to make the country strong... [but] without a strong military, a country can neither be safe nor strong.” What's at stake? (1) Ideologically, the CCP views a strong military as crucial for safeguarding China's

territorial security particularly because the Century of Humiliation<sup>9</sup> plays a key role in the CCP's policy outlook—both as a cornerstone of modern China's founding narrative, a lesson in countering Western dominance, and a painful reminder of weakness's costs. (2) China's political and economic rise demands an equivalently authoritative *military* rise to establish internal border security (e.g., separatism in Xinjiang and protests in Hong Kong), resolve regional territorial disputes (e.g., in the South China Sea), and protect Chinese expatriate interests (e.g., personnel evacuation and commercial stability) throughout Eurasia, Africa, and Latin America. (3) China's broader, albeit unknown, aspirations—including a potential war with the US or amphibious invasion of Taiwan—necessitate military power. (4) CCP officials view military strength as prestigious (e.g., impressively constructing three aircraft carriers), conducive to national patriotism (e.g., powerful military parades on October 1 every year), and politically beneficial for CCP top brass (e.g., Xi often poses for photos in military uniforms). (5) Continued expansion of the Chinese military is crucial for (i) ensuring the military's loyalty to Beijing, (ii) resisting the peacetime tendency for lethargy/complacency, and (iii) pairing lavish state support with brutal anti-corruption purges. (6) Military expansion complements geopolitical expansion by aiding China's "dual circulation" and "Made in China 2025" initiatives. Pursuant to these ends, China's military budget now hovers around \$250B annually and the PLA's budget increased 10% year-on-year between 2000 and 2016. The Pentagon's Major General Cameron Holt predicted that China is acquiring weapons five times faster than the US.

- **Modernization:** Xi Jinping, Chairman of the Central Military Commission (CMC), has three broad aims for modernizing the PLA beyond amassing a more powerful and professional army: (1) mechanizing the PLA Army and incorporating information and communications technologies into the Army (known as "informationalization"); (2) "intelligentizing" the PLA through the incorporation of AI into command structures, weapons systems, and military decisions, and (3) reforming the PLA's organizational structure to enable China to both fight and win wars. The CCP's CMC has successfully renovated the PLA's Cold War-era inventory—replacing J-10C Firebird aircraft with J-20 Mighty Dragon aircraft, amassing three aircraft carriers (the *Shandong*, *Liaoning*, and *Fujian*), upgrading H-6N and JH-7A bombers to carry air-launched cruise missiles, domestically developing HQ-9 surface-to-air missiles, phasing out Type-62 light tanks in favor of ZTQ Type-15 "Black Panther" tanks, and inventing the Y-9DZ electronic warfare aircraft (with communications jamming/electronic countermeasures).

---

<sup>9</sup> The Century of Humiliation began in 1839 when British gunboats sped up the Yangtze River to compel the Qing Dynasty to open Chinese ports to the opium trade; when China refused, the First Opium War began. The humiliation worsened with time as China, knee bent, signed away lavish extraterritorial privileges to the British, French, and Russians in unequal treaties. China was further cut, divided, and disgraced throughout the Century: French military victories dispossessed China of its claims to northern Vietnam; British forces sacked the Imperial Gardens in the Second Opium War; Japan, a rising power in the Meiji era, invaded Taiwan, Korea, and Manchuria; the Soviets invaded Xinjiang; and the Second Sino-Japanese War (in WWII) subjected the Chinese people to grave brutalities like the Nanjing Massacre and Unit 731; and the imperial system collapsed in China in 1911.

- **Military Structure:** The PLA Army (PLAA) has approximately 975K active-duty soldiers. The PLA Navy (PLAN) has approximately 340 ships/submarines. The PLA Air Force (PLAAF) possesses approximately 2,800 aircraft. The PLA Rocket Force (PLARF) possesses intercontinental ballistic missiles. The Strategic Support Force (SSF) conducts cyberwarfare and space-adjacent operations. The Joint Logistic Support Force (JLSF) provides campaign-level logistics support. China is rumored to have 400 deliverable nuclear warheads.

### **PLA Invasion of Taiwan**

- **Motives:** (1) Ideologically, since the PRC/ROC split in 1949<sup>10</sup> (with Mao Zedong's Communists seizing mainland China and Chiang Kai-shek's Kuomintang fleeing to Taiwan) the CCP has maintained its claims to Taiwan and desires for Cross–Strait Reunification; the CCP traces Chinese sovereignty over Taiwan to 230 CE (whereas the ROC traces Chinese sovereignty over Taiwan to 1683 CE and ending in 1895 with the Sino–Japanese War). To this end, the CCP views Chinese reunification as the final piece in China's long struggle<sup>11</sup> to overcome the Century of Humiliation—and, relatedly, views Taiwan itself as a historic part of imperial China; to repossess Taiwan would be to finally end the Chinese Civil War; the 2005 Anti-Secession Law enshrined China's willingness to use military force to do so. (2) The CCP sees reunification with Taiwan as critical for China's national security: Taiwan is an "unsinkable aircraft carrier," a geo-strategically important island capable of foreign power projection.<sup>12</sup> The PRC is deeply suspicious of Taiwan's economic and military ties with the West<sup>13</sup> and opposes Taiwan's New Southbound Policy which aims to strengthen Taiwan's regional integration beyond the PRC.

---

<sup>10</sup> After the Civil War ended in 1949, the Truman administration considered recognizing the Maoist regime in mainland China but the CCP's intervention in the 1950 (to 1953) led the US to deploy the Seventh Fleet in protection of Taiwan. The 1954 US–ROC Mutual Defense Treaty formalized the US' recognition of the KMT's regime in Taipei as the legitimate governing authority of China. This stance later changed in 1971 when, under the "Nixon doctrine" began reducing its military presence in Southeast Asia (in favor of sending economic and military aid); soon after Kissinger's secret meeting in July 1971 and Nixon's February 1972 visits, the Shanghai Communiqué of 1972 set the US on path to recognizing the CCP. On January 1, 1979, the US formally severed ties with Taiwan and recognized the PRC while acknowledging the "one China" policy.

<sup>11</sup> Former Chinese Premier Wen Jiabao said in November 2003 that "the Chinese people will pay any price to safeguard the unity of the motherland."

<sup>12</sup> During the Cold War, tight US–Taiwan relations enabled the US military to use Taiwanese air bases (e.g., the Ching Chuan Kang base and the Chiayi base) during the Korean War and Taiwan–China crises, sent the US Seventh Fleet into the Taiwan Strait, and even stationed a Mark 7 nuclear bomb on Taiwanese soil. The 1972 Shanghai Communiqué, long considered the beginning of the US's strategic ambiguity toward Taiwan (e.g., "acknowledging" but not *accepting* the Chinese position that "there is but one China and Taiwan is part of China"), paved the way for the US to end offensive military relations with Taiwan (including the death of the Mutual Defense Treaty).

<sup>13</sup> Pelosi's August 2, 2022 visit was met with the largest Chinese military exercises since 1966: seven Dongfeng ballistic missiles, sixteen J-30 fighter-jets buzzed through Taiwanese airspace, the naval destroyer *Changchun*, and thousands of rounds of live-fire ammunition.

- **US Obligations:** The April 10, 1979, Taiwan Relations Act<sup>14</sup> established *de facto* diplomatic ties between Washington and Taipei (managed through the privately-run publicly-staffed American Institute in Taiwan) and mandated the US to provide defense weaponry (of a “defense character”) to Taiwan—but didn’t obligate the US to pledge defense for Taiwan in the event of an invasion. Reagan’s Six Assurances, although non-binding, furthered American *de facto* ties with Taiwan. The decades-long strategy of “strategic ambiguity” has been partially undercut<sup>15</sup> by Biden who has publicly declared a security guarantee for Taiwan on *four occasions*<sup>16</sup> (despite the White House walking back each time).
- **US Interests:** (1) The US must honor its informal but well-established alliance with Taiwan to ensure that Indo-Pacific American allies (e.g., Japan, South Korea, Australia, and the Philippines) view US security commitments as credible. (2) The US’ ties with Taiwan are strong. Taiwan’s 20th century dramatic political and economic transformation into an industrialized developed economy with a robust liberal democracy (a) strengthened Washington–Taipei relations by synchronizing American and Taiwanese values and (b) rekindled American hopes of eventual socio-cultural democratization in mainland China mirroring that of Taiwan’s (formerly a repressive single-party autocracy). Further, TSMC’s production of over 90% of cutting-edge (e.g., 2 nm) semiconductors is essential for US commercial and technological supremacy over China (the so-called “silicon shield”). (3) The US fears backing down on Taiwan; doing so signals weakness in Xi’s eyes, emboldens an increasingly belligerent Beijing, casts doubt on American security commitments outside the region (e.g., to the EU or Israel), and licenses further Chinese aggression. Furthermore, a PLA invasion of Taiwan, absent a strong response from the US-led West, could metastasize and spread even further. (4) Taiwan’s political lobby in Washington (including the Taipei Economic and Cultural Representative Office) is powerful. Taiwan has seven registered lobbyist organizations (each with multi-million-dollar budgets like the American Chamber of Commerce in Taiwan and the U.S.-Taiwan Business Council) in the US. Even still, the US steadfastly opposes Taiwanese independence and has drawn a clear red line against any ROC declarations of

---

<sup>14</sup> Under Section 4 of the Taiwan Relations Act (TRA), Taiwan is to be treated by the US just like any other foreign entity—including international treaties not requiring formal statehood for membership. Sections 6 through 9 authorizes the American Institute in Taiwan, based in Arlington, Virginia, to act as the US’ *de facto* diplomatic mediator. Section 2 of the TRA posits that military force in the Taiwan Strait would be a “grave concern to the United States” and could justify “the capacity of the United States to resist... coercion” but does not obligate the US to protect Taiwan. Section 3 obliges the US to provide “such defense articles and services... as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.”

<sup>15</sup> Additionally, in 2018, Trump passed the Taiwan Travel Act which allows high-level American and Taiwanese officials to visit Taiwan and the US, respectively.

<sup>16</sup> For instance, in October 2021, President Biden participated in a CNN town hall moderated by Anderson Cooper at Baltimore’s Center Stage in Maryland. There, a student from Loyola University asked: “China just tested a hypersonic missile... Can you vow to protect Taiwan?” Biden responded: “Yes.” Cooper pressed him: “So, are you saying that the United States would come to Taiwan’s defense if...” and before he could finish, Biden responded: “yes, we have a commitment to do that.”

independence/sovereignty and the US maintains a “double deterrence” strategy to dissuade Taipei from provoking Beijing;<sup>17</sup> after all, an invasion would be bloody and jeopardize Taiwan’s 23M residents as well as American and Japanese military forces.

- o **Trump/Biden:** Washington-Taipei ties have strengthened under both Trump and Biden. Trump spoke with Taiwan President Tsai Ing-wen by phone in 2017, the highest-level contact since 1979; Trump also authorized \$18B in arms sales to Taiwan. Biden (monumentally) invited Taiwanese delegates to his 2021 inauguration. Under Biden, the US Seventh Fleet routinely sails through the Taiwan Strait. Nancy Pelosi (August 2022) and Kevin McCarthy (March 2023) have both met with high-level Taiwanese officials—Pelosi in Taiwan, McCarthy in the US.
- **Chinese Aggression:** In 2021, the PLA Air Force sent 950 Chinese sorties (e.g., J-11 aircraft, J-16 fighter jets, and H-6 bombers) into Taiwanese air space (known formally as Taiwan’s air defense identification zone or ADIZ); China also routinely sends naval destroyers and warships into the Taiwan Strait. Thousands of cyberattacks linked to PLA Unit 61398, China’s shadowy hacker army,<sup>18</sup> strike Taiwanese servers every day. International recognition of Taiwan is met with fierce CCP pushback (e.g., Lithuania/2021) and the CCP deliberately interferes with Taiwanese elections.
- **Taiwan’s Military Capabilities:** Taiwan, through the Republic of China Army (ROCA), aims to deter an invasion through military strength. **The Case for Concern:** Domestically, Taiwan spends just 2.1% of its annual GDP on its defense sector. Only 60% of Taiwan’s front-line military units are actively manned. Although, in December 2022, Taiwan extended its mandatory military service to 12 months, that’s still less than many other countries (e.g., South Korea/18, Singapore/24, Israel/24); conscription’s political unpopularity led Taiwan to shorten training periods twice in the 2010s. Training is insufficient: instructors place heavy emphasis on outdated bayonet training; reservists complain about outdated rifles (e.g., 1976-era T65 assault rifles rather than 2003-era T91 assault rifles) and ammunition shortages (e.g., firing just 40 rounds), and a focus on antiquated tactics (rather than urban combat or psychological warfare). Staffing is a problem since relative to the PLA, Taiwan’s army is weak with just 169K active-duty soldiers and 474 aircraft; entry-level soldiers are paid \$1,235/month which is 18% less

---

<sup>17</sup> For example, President Chen Shui-bian (2000–2008) from the center-left Democratic Progressive Party publicly embraced the *yi bian, yi guo* narrative (translating as “countries on each side of the Taiwan Strait”), abolished KMT-era guidelines on prospective unification, erased all “China” references in state-owned enterprise names, and renamed the Chiang Kai-shek International Airport to the Taoyuan International Airport. Behind closed doors, officials in the Bush White House were outright furious at Chen for such provocations.

<sup>18</sup> A brief overview of PLA Unit 61398, also known as APT1 by cybersecurity analysts. Mandiant credits Unit 61398 as “one of the most prolific cyber espionage groups in terms of the sheer quantity of information stolen.” The group is based in the Pudong New Area and has four subsidiary networks in Shanghai. Since 2006, APT1 has hacked at least 141 companies. The group specializes in data theft, especially email theft, and its targets’ industries heavily overlap with strategic industries identified in China’s 12th Five Year Plan. The three most well-known hacker personas within Unit 61398 are UglyGorilla, DOTA, and SuperHard.

than Taiwan's average salary of \$1,500/month; and Taiwan's recent lengthening of mandatory military service will dilute training's efficacy and stretch instruction resources thin. Taiwan's institutional defense culture, borne out of decades of KMT rule, historically emphasized the conventional tactics of symmetric warfare—especially since Taiwan *historically* believed ROCA's technological superiority, courtesy of US industry, could head-on defeat the PLA; hence, Taiwan's recent shift towards an asymmetric “porcupine” strategy remains underdeveloped due to institutional inertia (e.g., ROCA still spends heavily on diesel submarines, aircraft, and naval cruisers that the PLA will destroy quickly with short-range ballistic missiles or SRBMs). US military aid is insufficient: the US military–industrial complex is already overstrained by US support for Ukraine; delays in foreign military sales to Taiwan are infamous; and US aid, while flashy, provides insufficient bread-and-butter support (e.g., rifles) to ROCA. **The Case for Optimism:** Taiwan's Legislative Yuan (the unicameral legislature) is boosting military spending (namely, a 14% increase in 2022 to \$19B), lengthening conscription expectations (namely, from four months to a full year), and increasing salaries for entry-level conscripts by 400%. Grassroots opposition to the PLA would be stiff: over 87% of Taiwanese oppose reunification with China and 73% of Taiwanese are willing to openly fight against a Chinese invasion, especially since (a) Ukraine's heroic resistance—and its re-energization of a unified West—indicates that defeat isn't inescapable and (b) Taiwanese nationalism is on the rise (especially with the China-friendly KMT suffering steep electoral losses in 2016 and 2020, the rise of quasi-independence advocacy within the DPP) so civilians are preemptively taking defense into their own hands (e.g., Robert Tsao's Kuma Academy is spending \$30M to train three million “civilian warriors” and Enoch Wu's Forward Alliance is developing a civilian defense organization through resilience training and personal safety workshops). US arms sales with Taiwan since 1979 total in the tens of billions: F-16V fighter-jets, Sidewinder air-to-air missiles, M1 Abrams tanks, Harpoon anti-ship missiles, NASAMS air-defense systems, AMRAAM air-to-air missiles, Raytheon radar surveillance technologies, Patriot surface-to-air missiles, *Kidd*-class naval destroyers, MQ-9 Reaper UAVs, and FIM-92 Stinger missiles. More recently, the US has sent military advisors to help train Taiwanese recruits and ROCA officers have participated in exchange programs with the US military. Taiwan is aiming to embrace the porcupine strategy.<sup>19</sup>

---

<sup>19</sup> William Murry coined the phrase in a 2008 Naval College War Review article: “More affordable, more effective, and less destabilizing means of defense against precision bombardment, invasion, and blockade are nonetheless available, but to take advantage of them, Taiwan must rethink its defense strategies. Rather than trying to destroy incoming ballistic missiles with costly PAC-3 SAMs, Taiwan should harden key facilities and build redundancies into critical infrastructure and processes so that it could absorb and survive a long-range precision bombardment.<sup>13</sup> Rather than relying on its navy and air force (neither of which is likely to survive such an attack) to destroy an invasion force, Taiwan should concentrate on development of a professional standing army armed with mobile, short-range, defensive weapons. To withstand a prolonged blockade, Taiwan should stockpile critical supplies and build infrastructure that would allow it to attend to the needs of its citizens unassisted for an extended period. Finally, Taiwan should eschew destabilizing offensive capabilities.”

- **Post-Invasion Resistance:** China's likely post-invasion strategy would center around dividing the Taiwanese people to fragment resistance, co-opting high-level Taiwanese officials and respected leaders, employing “Strike Hard, Maximum Pressure” tactics of jailing, summarily trying, and executing outspoken dissidents, aggressively propping up PRC sympathizers in Taiwan, and deploying the specialized paramilitary People’s Armed Police (PAP) to quash Taiwanese nationalists. However, even if an invasion succeeded, prolonged Taiwanese guerilla resistance would be near-impossible to stamp-out: 70% of the country is covered with rugged and densely forested mountains like the Central Mountain Range (Taiwan lies on the eastern edge of the Eurasian tectonic plate). Even if the PLA captured the Hengshan Military Command Center in Taipei, ROCA would likely relocate easternward (likely to the underground thirteen-kilometer-long Hsuehshan Tunnel). The tendency of Chinese troops to overreact and subject civilians to violence can be documented and publicized via social media, galvanizing domestic and international support. Many Taiwanese people would join this cause; already, 61% identify exclusively as Taiwanese, and the percentage identifying as exclusively Chinese has dropped from 26% in 1994 to 3% in 2022.
- **Invasion Analysis:**
  - **Ukraine Parallels:** Ukraine and Taiwan are both democratic victims of authoritarian irredentist aggression. Yet differences abound. The US has deeper ties to Taiwan than to Ukraine—and is exponentially more likely to deploy American forces in Taiwan than Ukraine. Invading Taiwan would be far harder than invading Ukraine: amphibious assaults are notorious for good reason and crossing the Taiwan Strait will be difficult.
  - **US Wargaming:** Department of Defense (DOD) wargames remain confidential, yet leaks suggest that current US/Taiwanese defenses are insufficient. When the Pentagon sponsored a RAND wargame exercise, “blue [got] its ass handed to it” with world-class F-35 fighter-jets obliterated on runways, US datalink networks jammed and shut down by Chinese interference, and the Tsoying naval base eradicated by Chinese missiles. Air Force General John E. Hyten (and former Joint Chiefs of Staff vice-chairman) said that in a recent DOD wargame the US “failed miserably [because] an aggressive China team that had been studying the United States for the last 20 years just ran rings around us.” Admittedly, wargame planning is always imprecise.<sup>20</sup> Still, the Center for Strategic and International

---

<sup>20</sup> Information about military tactics and technology is often classified or unavailable; estimating probabilities (e.g., the likelihood of a missile striking its target) is inherently unknowable. Furthermore, wargames are often based in part on historical data—but inevitably, war changes over time, geographical environments differ, and weapons perform differently across the years. Additionally, assessing potential conflicts inevitably requires incorrect assumptions; for instance, US F-35s have never faced PLA J-20s in battle. Additionally, commercial/military estimates often prove inaccurate; for instance, prior to the Vietnam War, the US Air Force projected that AIM-9J missiles would have a hit rate of 92% but had an actual hit rate of 13% during the war. Additionally, most wargames operate with two teams (red and blue) and moves are judged by a neutral “white team;” inevitably, this adjudication mechanism is subject to bias.

Studies (CSIS) conducted a twenty-four-trial wargame for China's amphibious invasion of Taiwan and found that Chinese defeat is nearly guaranteed, although losses on all sides (Chinese, Taiwanese, American, and Japanese) would be steep; only when Taiwan "stands alone" without US or Japanese backing would China completely conquer Taiwan.

- o **Different Attack Modes:** The PLA may begin with a sustained aerial bombardment to isolate Taiwan from US/Japanese assistance and grind down Taiwan's anti-aircraft/anti-missile air defense systems. The PLA's post-Pelosi August 2022 drills encircled Taiwan's commercial ports which suggests that the PLA's preferred strategy may begin with a sustained blockade (similar to the Nazi strategy towards Britain in the summer of 1940).
- **Amphibious Assault:** The Taiwan Strait is 180 km (110 mi) wide; the narrowest part is 130 km (81 mi). (1) China will likely start the invasion by surrounding Taiwan with air and naval units to cut Taiwan off from potential US aid and make naval/aerial brigade deployment (e.g., airdropping paratroopers) suicidal; simultaneously, PLARF (Rocket Force) short-range ballistic missiles would probably bombard strategic Taiwanese targets. (2) The PLA will rapidly transport PLAGF (Ground Forces) soldiers across the narrow Taiwan Strait, likely with roll-on roll-off ("ro-ro") cargo vessels, towards southern Taiwan (since 46% of ROCA forces are in the north, near Taipei); anti-cruise ship missiles (ACSMs), naval mines, anti-ship defenses will slow—but not stop—the PLAGF's strait-crossing. *Here, China's greatest risk is that US, Japanese, and Taiwanese naval efforts stymie the PLA's ability to move soldiers onto Taiwan by destroying transport vessels.* (3) Once PLA forces reach Taiwanese soil, the primary aims will be (i) establishing a beachhead and (ii) seizing an operational port or airfield; both enable further in-land offensives and resupply efforts. (4) The PLA will then seek to secure a lodgment enclave. Here, air supremacy will be essential both to protect ground PLAGF infantry units and to interdict enemy reinforcements (e.g., eradicating bridges/overpasses used by ROCA for a counter-offensive).
- o **Initial Chinese Strikes:** DF-11/DF-26 anti-ship ballistic missiles and Houbei Type-22 fast-attack boats will likely obliterate Taiwan's navy (e.g., docked diesel submarines and light frigates) since China will enjoy the element of (relative) surprise and can blanket Taiwanese tarmac and ports with missile fire; moreover, Taiwan's indigenous Sky Bow system, complemented by US-provided Patriot battery systems, will quickly be dwarfed by the PLA's superior air force, overwhelmed by a barrage of hypersonic missiles and cluster munitions, and possibly disrupted by Unit 61398 cyber-attacks. Additionally, the frequency of typhoons and heavy rain complicates Strait-crossing plans.

- o **Amphibious Lift:**<sup>21</sup> The PLA will need to rapidly transport forces across the Taiwan Strait. China has at least six amphibious brigades (in the 72nd, 73rd, and 74th group armies) which would be transported by Yuzhao transport docks, *Yushan*-class transport docks, and roll-on roll-off “ro-ro” civilian vessels. Aerial transportation alone (e.g., Y-20 transport aircraft) is woefully inadequate, especially for transporting high-tonnage armored vehicles and supplies. Unfortunately, transporting forces across the Strait via sea will be difficult due to bombardments from Taiwan-produced Hsiung Feng missiles and America-produced Harpoon missiles, long-range nuclear-powered submarine and missile strikes (e.g., JASSM-ER missiles) by the US against Chinese transport vessels, and a dense thicket of naval mines in Taiwanese waters.
- o **Personnel Landing:** PLAA/PLAGF forces will struggle to establish a beachhead: thousands of ROCA soldiers, armed to the teeth with T75 machine guns and Kestrel rocket launchers, will passionately offer stiff resistance alongside M1 Abrams tanks, M777 howitzers, and shoulder-launched missiles. Taiwanese trenches, bunkers, and land mines would further hamper the PLA’s landing efforts. Even if Chinese forces break through ROCA defenses, Taiwan will likely deploy a “scorched earth” strategy to deny China access to operable ports/airfields.
- o **A2/AD:** Once the PLA establishes a beachhead, anti-access/area-denial (A2/AD) systems intended to block any US intervention—anti-ship, anti-aircraft, anti-missile, and anti-ballistic weapons systems—will be crucial for Chinese victory. Otherwise, the US could entrap PLA forces on Taiwan and starve them of supplies (e.g., medical support, ammunition, etc.).
- o **In-land Offensives:** Capturing heavily fortified Taipei would be a great challenge as would expanding beyond Taiwanese beaches, where the PLA might establish lodgment enclaves. Why? ROCA is more intimately familiar with the local terrain than PLA invading forces. Taiwan’s western border, where the PLA would strike, experiences high tides (as the 1949 Battle of Guningtou painfully showed), so Taiwan’s coastline is largely composed of mudflats (as deep as 8 miles inland) which slow the advance of heavy artillery, tanks, and armored personnel carriers (APCs). Taiwan’s mountainous and forested terrain is optimal for asymmetric warfare, makes the passage of heavy equipment nearly impossible, and reduces China’s advantage in aerial surveillance.
- **US Intervention:** The US has military bases in Japan (e.g., bases at Okinawa, Kadena, Iwakuni, Yokota, and Misawa), the Philippines (e.g., Cagayan, Isabela, and Palawan on the Luzon island), South Korea (e.g., Camp Humphreys), and Guam, Hawaii, and Alaska; furthermore, the US Seventh Fleet, *USS Ronald Reagan*, and Carrier Strike Group 5 are

---

<sup>21</sup> The difficulty of launching this sort of amphibious raid is precisely the reason the US opted *not* to invade Taiwan in 1944 during WWII.

all positioned in the Indo-Pacific region. Would the US strike mainland China? *Unclear:* the US aims to avoid nuclear escalation (and minimize retaliatory threats against continental America) but may wish to strike Chinese territory both to incapacitate Chinese transport vehicles and aircraft and to secure a moral victory (akin to the 1942 Doolittle Raid on Tokyo) especially if China strikes Guam. Under no circumstances would the US preemptively strike the Chinese mainland; under the War Powers Resolution, the US would likely require Congressional authorization prior to such a preemptive strike (conjuring memories of 2003 and Iraq) although the AUMF may provide a loophole.

- o **Japan:** Japan hosts around 55,000 US military personnel—the most of any non-US country in the world. Further, the US has three major air bases in Japan: the Misawa Air Base in Aomori, the Yokota Air Base in Western Tokyo, and Kadena Air Base in Okinawa. Further, Japan's Self-Defense Forces (JSDF) could intervene; while Article 9 of Japan's Constitution prohibits offensive military operations, Shinzo Abe's 2015 military legislation authorized (through the National Diet) offensive JSDF operations in pursuit of the “collective self-defense” of Japan's allies.
- o **South Korea:** South Korea would possibly face aggression from North Korea, both because Beijing may pressure the Kim regime to act aggressively to distract the US and Japan, and because Pyongyang may exploit the opportunity.

	PLA in Eastern/Southern China	Taiwan's ROCA
Ground Forces	416,000	88,000
Tanks	6,300	800
Artillery Units	7,000	1,100
Submarines	65 total	2 total
Fighter Aircraft	700	400
Bomber Aircraft	250	0

### **China's Slowdown**

- China's bad summer is symbolic of deep underlying problems which (i) implicate imminent trouble for China's ability to continue exerting influence in the world and (ii) raise concerns about the sustainability of China's political economy—namely, the synthesis of an authoritarian political system with a capitalist economic system, both under the personalized authoritarianism of Xi Jinping.

- Conventional explanations for China's troubles fall flat:
  - **Problem 1—Debt Trap and the Balance Sheet Recession:** China's growth has depended on investments and infrastructure and property, much of it financed by debt. Hence, China built up an unsustainable debt pyramid. The bill has now come due and China is stuck, much like Japan in the 1990s.
    - **Beating the Japan Analogy:** Is China like Japan? Sure, both had high debt economies with property bubbles, but (1) the asset price bubble in Japan was much larger than the current bubble in China, and (2) in Japan, banks owned shares of companies and companies owned shares of banks, so balance sheets were intertwined and loans were collateralized by land, which meant that the balance sheet of the entire country came down as one. By contrast, China's system is more fragmented: debt in one part of the country rarely is owned in another part of the country due to strict intra-national financial regulations. Furthermore, overleveraging is confined to specific industries; across the board, private companies have been deleveraging for over a decade. Since Xi rose to power, financial risk has been a big target of the CCP, so there's been considerable pressure to cut back on debt.
  - **Problem 2—Political Destiny:** Investment and consumption require confidence in the underlying political-economic system. But China's consumers and entrepreneurs have seemingly lost confidence in the Chinese economic system. In a sense, Leninism has won out over the dynamic economy; now, China is stuck in a lower growth trajectory because it's been unable to reconcile its political and economic systems. This suspicion is particularly acute amongst private business owners.
    - **Beating the Confidence Claim:** During the pandemic, millions of Chinese workers lost jobs, yet the government offered limited stimulus or welfare even during two successive waves of lockdown. Income is why consumption is low, not confidence. Plus, China is now experiencing a rising marginal propensity to consume. And on the investment side, China now leads the world in automobile exports (especially EVs).
  - **Problem 3—Mismanagement:** Limited stimulus during COVID lockdowns, a chaotic end to Zero-COVID, and deceleration export revenues are the chief culprits for China's slowdown; the recipe is stimulus.
- In reality, the CCP's top-level direction has changed. Historically, the top priority is stability of the regime and the second priority was economic growth as an instrument of stability. Xi does not agree; he focuses more on security, self sufficiency in technology, and social equity—even if that means lower growth rates. Xi also has a puritanical view of economic matters and seems to think that austerity is good for people. Furthermore, the CCP embraces top-down capital allocation. The CCP recognizes China is too reliant

on infrastructure and property; Xi feels the need for China to become a technologically advanced society. That means capital must flow out of the bloated property and infrastructure sectors, where productivity has been exhausted.

- Implication 1: China's economy isn't collapsing, but China does have a chronic shortage of aggregate demand. Reallocating capital away from infrastructure and property to high-productivity tech sectors is a painful process, as are forced deleveraging campaigns in the property sector.
  - For the CCP, the economy is about production, not consumption; that's why China runs persistent trade surpluses and maintains principled opposition to a consumer-driven economic model (a principle confirmed during the 2008 GFC confirmed this belief which reaffirmed China's preference for a state-driven investment-focused model of growth).
- Implication 2: Directional Liberalism is dead. Key question: Why did Chinese entrepreneurs in the 1980s/90s have the will to invest? *They saw that people at the top were indicating a potential for future liberalism and entrepreneurs got in that direction.* Now, we are no longer in an era of directional liberalism: the CCP is shifting towards more control, more one-person rule, and more illiberalism. There's a clear sense of a direction shift in China which is dampening the dynamism in China's economy.
- Implication 3: Manufacturing remains powerful. After all, manufacturing firms benefit from embedded networks, institutionalized knowledge, and the fact that they cannot go up in smoke and are difficult to dismantle overnight (unlike information technology firms). This means that hardware industries are more insulated from Xi's authoritarian bent.

### Evergrande

- Since the late 2010s, Evergrande dipped its toes into EVs, theme parks, bottled water, and soccer teams, but it was the housing reforms of the 1990s—in which China allowed people to buy and sell apartments—which caused the original surge in housing demand that led Evergrande to acquire land at favorable prices, IPO in 2009 in Hong Kong, and achieve a market value of \$47B by 2020, with 1300 real estate projects across 280 cities.
- Evergrande's strategy worked like this: borrow money, sell homes before construction, and then use proceeds to pay back the lenders. This was an aggressive and ultimately unsustainable strategy. Evergrande over-speculated and overestimated future demand for housing. The Three Red Lines (liability to asset ratio below 70%, debt-equity ratio below 100%, and a cash-to-short-term-borrowing ratio over 1) forced deleveraging. Deceptive financial practices kept Evergrande afloat temporarily, but disaster struck in December 2021. 99% of the company's value has been wiped out and Evergrande has sued for bankruptcy protection in a US court.

## **FARC Insurgency**

### Context on Colombia

- Roman Catholicism is the dominant religion, and has deep socio-cultural ties within the nation. Colombia is a former Spanish colony, and the most commonly spoken language is Castilian Spanish. The vast majority of the population (~60%) is mestizo (mixed indigenous/European descent). Approximately 20% of Colombia's population is descended from mixed African/indigenous ancestry. Since the 1960s, there's been a large trend of migration towards Colombia's cities, largely driven by (1) a desire for higher wages and (2) a need to escape cartel and guerilla violence in rural parts of the country. More than one-third of its inhabitants live in six largest metropolitan areas, of which Bogotá is the largest. Income/wealth inequality is high: the top 10% earn 40% of Colombia's national income, which is ten-times higher than the bottom 20%. This is reflected in Colombia's rural-urban divide, where the poverty rate is nearly 15% lower in metropolitan areas compared to the countryside.

### History of Colombia

- Under Simón Bolívar, Gran Colombia eventually declared independence from the Spanish in 1819; the pro-Spanish insurrection movement was defeated in 1822. The earliest political parties in Colombia, the Liberal and Conservative parties, were established in 1848, and were the two most dominant political parties in Colombia until 2003. Throughout the early 1900s, Colombia warred with Panama over territorial disputes; the League of Nations negotiated an eventual truce. In 1948, Jorge Eliécer Gaitán, a Liberal Party presidential candidate, was assassinated, sparking a ten-year long civil war known as *La Violencia*. Peasants, divided between their support for Liberals and Conservatives, were provoked by rural police and political elites to seize agricultural lands held by members of the opposing party. Elections were held in 1950 to elect a new President, but they were largely manipulated/rigged. Gustavo Rojas, a military general, staged a coup against the elected government, but was subsequently ousted by another military coup. After Rojas' fall, the Conservatives and Liberals created the National Front, a joint political party that featured alternating presidential terms between the two parties.
- In the aftermath of the civil war, Colombia forged a strong political connection with the US, especially through JFK's Alliance for Progress. The US (entangled in the Cold War) pressured the National Front to combat the rise of left-wing and communist militias within Colombia; these groups had arisen in the aftermath of the civil war and rejected the political and economic reforms suggested by the Colombian government. They included FARC (see below), the ELN (a Marxist-Leninist militia), and M-19 (an ultranationalist, leftist guerilla group).

### FARC's Insurgency

- Colombia has substantial oil reserves and is a major producer of gold, silver, emeralds, platinum and coal, but is also highly stratified: traditionally rich families of Spanish descent have benefited from the country's mineral wealth to a far greater degree than the majority mixed-race population, providing a ready constituency for left-wing insurgents. Moreover, during the 19th century, the Colombian government found itself heavily in debt, so it sold off vast swaths of land to a small number of rich elites, further entrenching geographic and economic inequality; this further inspired conflict in the name of reducing inequality.
- There were three major groups involved: (1) the Colombian government, which claims to seek stability and to protect civilians; (2) far-left guerilla groups, such as FARC, claim to protect people from government violence, promote social equality, and ensure the rights of the poor; (3) far-right paramilitary groups have cropped up, claiming to be responsive to the threats to public safety posed by guerilla insurgents. Empirically, right-wing paramilitary groups have been responsible for the greatest proportion of civilian fatalities. A peace deal was signed in 2017.
- FARC is the Revolutionary Armed Forces of Colombia; it is a left-wing, Marxist-Leninist guerilla. FARC rose during the 1960s; a variety of factors contributed to its rise: (1) The 1960s saw Colombia crack down harshly on communist movements within rural Colombia (partially prompted by pressure from the US and CIA due to Cold War ideological opposition to Marxism), prompting militant factions of both the Liberal and Conservative parties to fracture and form small guerilla groups, many of which defected to FARC. (2) During the 1960s, Colombia pursued a policy of Accelerated Economic Development at the behest of an American economist who owned significant ranching land in Colombia. As part of the Development initiative, thousands of small-scale family farms that primarily produced local foodstuffs were forcibly evicted since they were deemed to be using land "inefficiently." This produced over 400,000 landless families by 1969, and over 77% of arable land was taken over by commercial agricultural firms, many of them Western and foreign. This depressed wages and consolidated territorial holdings within the hands of a small number of elites, many of whom were directly descended from powerful Spanish families during the colonial era. This socioeconomic disenfranchisement drove many poor, rural peasants to join guerilla groups like FARC. (3) The National Front's power-sharing agreement, developed in the aftermath of the civil war, explicitly excluded the Communist Party, disillusioning many leftists within Colombia.
- In 1964, the Colombian government launched a raid on the small community of Marquetalia, which was (correctly) believed to be harboring communist sympathizers. Manuel Marulanda Velez, a Communist Party member living in Marquetalia, led just 48 communist fighters against an invading force of 16,000 Colombian troops; Marulanda's forces eventually fled into the mountains, and subsequently founded FARC. These men formed the core foundation of FARC.

- Initially, the conflict between FARC and the Colombian government was relatively low-level in nature: most of the fighting was confined to guerilla skirmishes between FARC militants and police forces in rural areas. Over the course of the next several years, FARC grew in power and in number. By the 1980s, FARC troops were partially deployed overseas in Vietnam and the USSR to receive training from other communist regimes. FARC relied heavily on revenues from the coca/cocaine trade, and as revenues climbed, FARC militarized and grew in strength: by the late '80s, FARC expanded operations to smaller-scale cities, launching direct military attacks against units of the Colombian military. In 1984, a tentative peace deal was struck, which resulted in a temporary ceasefire between 1984 and 1987. In 1985, FARC launched a political party, known as the UP, or Patriotic Union. The UP pursued political reforms including political decentralization, ending the Liberal/Conservative political domination, land redistribution, nationalizing foreign companies/banks, and greater spending on health/education. However, many of the UP's highest-level candidates were assassinated: for instance, in 1997, the President of the UP, Jaime Pardo, was murdered, and in the 1990, 70% of all presidential candidates, including those not affiliated with the UP, were assassinated prior to the election.
- By the 1990s, FARC's military support began to dwindle: its count of fighters dropped below 10,000, and many other left-wing guerilla groups, such as M-19 and the EPL, disarmed. As a consequence, FARC's focus shifted back primarily towards rural areas, and minimized its direct engagement with the Colombian armed forces. FARC maintained relatively high support from peasant farmers, largely because FARC relied heavily upon revenues from the illicit drug trade and pushed heavily for the legalization of drug trafficking. This gave FARC both economic power and political support within Colombia. FARC has also kidnapped over 25,000 people and used ransom payments to continue its military operations (e.g., buying weapons).
- FARC was organized in small tactical groups that made up larger fighting blocs controlled by the Secretariat, a group of less than 12 commanders who created the overarching strategy of the FARC. The FARC's top leader until the 2017 peace deal was Rodrigo Londono Echeverri, better known by his alias Timochenko. In addition to FARC, several other left-wing militias/guerilla groups arose during the first several decades of the conflict in Colombia:
  - M-19 emerged in 1974 in response to allegations of National Front-backed election fraud against the former Colombian dictator Gustavo Rojas Pinilla. The group was primarily based out of urban areas.
  - ELN (National Liberation Army) emerged primarily in cities, and was largely driven by university students and professors who critiqued unequal distribution of wealth within Colombia's class structure.
- Right-wing paramilitarism:

- In response to the rise of far-left guerilla groups like FARC and ELN, many far-right paramilitary groups have arisen across Colombia. Some of these have been explicitly supported and even funded by Colombia (largely at the advice of the US), while others have emerged organically, largely in rural areas. As early as 1959, the US embraced “Plan Lazo,” which called for Colombia to fund, train, and arm paramilitary units to combat communist militias within the nation. Nearly universally, these paramilitaries have arisen in response to far-left violence.
- Paramilitary groups have empirically been responsible for the majority of violence and death in the conflict in Colombia, and more importantly, have captured a majority of the illegal drug trade within Colombia: in 2001, for instance, Colombian government sources estimated that at least 40% of all cocaine exports from Colombia were controlled by far-right paramilitary groups, while only 2.5% were controlled by FARC. In the 1990s, two of the largest drug cartels in Colombia — the Medellín and Cali Cartels — gave narco-paramilitary groups access to coca farms in the north of the country, increasing their revenues
- Right-wing paramilitary groups have also been bankrolled by Western multinational corporations: between 1997 and 2004, Chiquita (an evil banana company) gave over \$1.7 million to the AUC, a right-wing paramilitary group, despite being listed as a terrorist organization by the US State Department. Drummond Coal, an Alabama-based coal company, allegedly hired right-wing militants to guard their plants from FARC saboteurs, and sent death threats to union leaders. Several union activists were killed at a Coca-Cola bottling facility by paramilitary groups contracted by Coca-Cola executives.
- US War on Drugs:
  - Drug cartels (e.g., Medellin, Cali, Norte del Valle, and North Coast) have dominated the economic and political structures of power within Colombia. Since Nixon declared the War on Drugs, the US has provided billions of dollars in military aid to the Colombian government in the fight against cartels/organized crime syndicates
  - Counterintuitively, the US War on Drugs helped to strengthen FARC in two ways: (1) Particularly during the 1990s, as cartels, like the Medellin cartel, were eradicated by the war effort, FARC expanded into the territory they used to occupy, thus gaining increased revenues from the drug trade. (2) Aerial fumigation (basically like, when you fuck the coca plants from the sky) pushed many farmers and rural peasants closer towards left-wing, anti-colonialism/anti-imperialism guerilla groups
- FARC peace process:
  - In 2016, the leader of FARC and the Colombian government negotiated a peace deal. Under the deal, FARC would be allowed to participate politically within the Colombian government and rebels would be given full and unconditional

amnesty, thus allowing them to reintegrate back into society. Furthermore, the government pledged to eradicate illegal armed groups and support the reintegration and rehabilitation process. In exchange, FARC would agree to disarm and provide its munitions/weapons to the UN, as well as release child soldiers and undergo questioning so that the state could understand their motivations and ambitions.

- After the deal was finalized, it was put to a national, popular referendum. Most people expected this to be a mere formality and for the deal to pass with wide support, but the referendum failed, largely because many people felt that, after decades of living in a war-ravaged country, justice needed to be served and amnesty was an inappropriate route.
- Subsequently, the peace deal was re-negotiated, and then passed and ratified in November 2016, bringing an official end to the conflict. FARC turned over nearly 8,100 guns to the UN and over 1.3 million cartridges of ammunition. FARC was then guaranteed 10 seats in the Colombian legislature (five in the House, five in the Senate). *Interesting fact: in the peace talks, nearly one-third of all delegates present were female or LGBTQ+ identifying.*

### **Venezuela**

- From 1998 to 2013, Venezuela was governed by the presidential administration of Hugo Chavez, a leftist, socialist president. Chavez's rule ushered in the "Bolivarian Revolution," named after the famous Simon Bolivar, who contributed greatly to the freeing of many Latin American nations from Spanish rule in the nineteenth century. Under the Bolivarian Revolution, Venezuela implemented a wide range of socialist policies including the nationalization of many industries that had formerly been privatized in the 1990s at the recommendation of the International Monetary Fund, the imposition of price controls on various goods that limited the prices companies could charge, and the creation of dozens of social welfare programs known as "Bolivarian missions." Through these programs, Chavez declared a "War on Poverty," and succeeded in reducing the poverty rate by over 20% and slashing child mortality significantly; Chavez was fiercely anti-neoliberalism and anti-US in his rhetoric, and openly embraced socialist ideology. However, a series of economic and political problems plagued Chavez's regime. First, state-run firms within Venezuela have widely been criticized for being plagued by internal corruption and mismanagement; for instance, Venezuela's nationalized food distribution company, PDVAL, was discovered in 2010 of having kept over 130,000 tons of food away from the Venezuelan people. Second, Chavez's social welfare programs earned him massive popularity amongst his constituencies, but most of them were financed through Venezuela's lucrative oil industry. Venezuela is home to 18.2% of the world's total oil reserves, which ranks first in the entire world in terms of oil supply. Chavez tapped state-run oil firms to fund his programs. This generated two

significant problems for Venezuela. One, Venezuela's heavy economic dependence on oil resulted in the so-called Dutch Disease, whereby Venezuela's currency appreciated due to strong global demand for Venezuelan oil, thus causing other Venezuelan export sectors to be less competitive in global markets. Two, Venezuela developed a substantial national deficit problem under the Chavez administration. Since Chavez depended so heavily upon the popularity of his petroleum-financed welfare programs, he borrowed excessive amounts of money in order to expand oil production and to increase expenditures on welfare programs. While good in principle, this meant that the underlying foundations of the Venezuelan economy were propped up by high global oil prices, something which was unsustainable in the long run. Third, Chavez imposed a variety of price controls on private industries to limit the prices that consumers had to pay for goods and services. This made businesses less profitable within the nation, causing companies to cut back on production and limit the amount of vital goods they sold, thus causing widespread shortages, particularly of food, within the country. Fourth, Venezuela under Chavez suffered from systemically poor monetary policies. Chavez implemented a series of "currency controls," which sought to make it harder for Venezuelans to access foreign currency in order to limit the problem of capital flight (that is, money flowing out of Venezuela). For instance, Chavez created the CADIVI, a currency control board that monopolized currency exchange transactions and heavily restricted people's ability to access more stable, foreign currencies. Problematically, as the Venezuelan government printed increasing amounts of money to fund its welfare programs, the value of the Venezuelan currency, the bolivar, fell and depreciated due to the increasing amount of currency in circulation. This not only caused currency depreciation, but also rampant inflation. And because the Venezuelan government heavily limited people's ability to access foreign currencies, a black market for the bolivar arose. This heavily exacerbated the shortage crisis within Venezuela: since most businesses in Venezuela need to buy goods from foreign countries in foreign, stabler currencies to be able to produce or sell anything in Venezuela, the inability to access sufficiently large amounts of foreign currencies, like the US dollar, made business harder to do, thus causing output and production to drop within Venezuela, exacerbating shortages.

- In 2013, Chavez died, and in the ensuing presidential elections, the similarly socialist Nicolas Maduro rose to power. Maduro inherited the shaky economic fundamentals of the Venezuelan state from Chavez, yet issues of authoritarianism, corruption, and mismanagement accelerated greatly under his rule in the initial stages of his presidency. For instance, a 2016 report from the OCCRP awarded Maduro the title of "Person of the Year," a title given annually that "recognizes the individual who has done the most in the world to advance organized criminal activity and corruption."
- In 2014, Venezuela officially entered into a recession; this worsened dramatically in 2015, when oil prices around the world plunged. Since Venezuela's popular welfare programs were largely financed through petroleum sales, when oil prices crashed

globally, Venezuelan industries had less money to funnel into social welfare. As a consequence, the economy careened, and in the 2015 elections, opposition parties within Venezuela won a majority of seats in the national legislative body, known as the National Assembly.

- However, after the 2015 election had occurred but before opposition candidates had taken their new positions within the National Assembly, i.e., the federal legislature, Maduro nominated several political cronies to Venezuela's highest court, the Supreme Tribunal of Justice, ensuring that the court was filled with his supporters. In March 2017, at Maduro's behest, the Supreme Tribunal – Venezuela's equivalent of a supreme court – stripped all power from the opposition-supporting National Assembly and transferred power to Maduro's cronies within the judicial branch. Protests erupted across Venezuela in response, prompting the court to partially repeal its decision and give some power back to the opposition-led National Assembly. Later in August 2017, Maduro invoked Article 347 of the Venezuelan Constitution, calling for the creation of a new constitution in order to protect against the "threats" posed by opposition parties. Maduro convened a Constituent Assembly to draft a new constitution, which would then be subject to a national referendum for approval; elections were held for positions within the Constituent Assembly, but opposition parties, backed by regional blocs like Mercosur, opted to boycott the election, which meant that the overwhelming majority of representatives within the body were pro-Maduro, and the opposition held little influence in the rewriting of the Venezuelan constitution.
- Subsequently, the Constituent Assembly designated itself supreme over the National Assembly (the former legislative body within Venezuela, which, by 2017, was primarily filled with opposition groups) and gave itself legislative power. In May 2018, a new round of presidential elections were held, but irregularities were rife within the voting system like opposition parties being banned from running and voter turnout hitting record lows. Maduro was declared the victor, thus guaranteeing a continuation of his power, even in spite of international accusations of election rigging.
- Subsequently, in January 2019, just minutes after Maduro was sworn into office once again, the opposition-majority National Assembly declared the results of the former election invalid, backed by an OAS report and intel from agencies in the EU and the US, and announced that Maduro had illegitimately usurped power, and that Juan Guaido was the legitimate president of Venezuela based upon Article 233 of the 1999 Venezuelan Constitution. This sparked a constitutional and presidential crisis both within Venezuela and within the broader international community. Approximately sixty nations, a majority of which are Western like the US, recognized Guaido as the legitimate head of Venezuela, while Western geopolitical adversaries like Russia, China, Syria, and Turkey backed the Maduro regime. Many international bodies, including most nations that recognize Guaido as the legitimate president, imposed sanctions upon Maduro's regime, and in April 2019, an attempted military uprising internally within Venezuela failed, after being encouraged

by the National Assembly-backed Guaidó. Since then, the crisis has intensified for a variety of reasons: first, Maduro has blocked the passage of humanitarian aid into Venezuela, even as north of 80% of the Venezuelan population has been classified as being at risk of starvation. Shortages have worsened as a consequence of international sanctions, and opposition parties have failed to gain any foothold within Venezuelan politics, an issue worsened by their decision to boycott further elections held within Venezuela.

- In recent months, opposition parties challenging Nicolás Maduro held free and fair primary elections for the first time in over a decade; María Corina Machado, who is officially banned (on questionable grounds) from running for public office in Venezuela, is expected to win in a landslide.

### **Iran**

- Iran's history with the West has a long past. In 1953, a democratically elected government within Iran sought to nationalize a British oil company. In response, the US (through the CIA) and the UK (through MI6) jointly helped to organize a coup d'état that overthrew the democratic regime and installed the Iranian Shah (functionally, an Iranian king) to power. The Shah's regime was backed by the West. During the Shah's rule, the Iranian economy grew at record rates, but the Shah ruled with an iron fist, deploying a secret police force to maintain power throughout the country.
- In 1979, a revolution swept through Iran, and deposed the coup, replacing the monarchical government with a theocratic model of government that was heavily antagonistic towards the West. Later that same year, the Iranian government took 52 US citizens hostage; the crisis was resolved over a year later, after Reagan had become the US President, but in the interim period, heavy sanctions were imposed on Iran.
- Two further waves of Western sanctions were imposed on the Iranian economy in the following years.
  - In 1987, the US imposed sanctions on Iran for its funding of terrorist groups throughout the Middle East. Since the outbreak of conflict in 2011, Iran has been funding the Houthi rebels in their fight against the Saudi-Arabia backed Yemeni government. It's estimated that Iran contributes approximately \$700 million each year to Hezbollah, a Lebanon-based political party and anti-Israel and anti-Western terrorist organization. Iran also has connections to other regional terrorist groups, including Hamas and al-Qaeda.
  - The second wave of Western sanctions on Iran came in 2006, when the UN Security Council unanimously voted to impose sanctions on Iran for illegally enriching uranium (a key step in the process of developing nuclear weapons) in violation of international law. It's unclear exactly when Iran started their nuclear weapons program, but whistleblowers have leaked information suggesting that Iran has been developing nuclear technology since at least 2003.

- The combination of these US and international sanctions crippled the Iranian economy, causing a currency crisis, a steep drop in aggregate Iranian output, and reduced foreign direct investment. Importantly, the US has also imposed secondary sanctions on Iran, which means that the US threatens to impose sanctions on other nations that do business with Iran, thus deterring other countries from economically engaging with Iran. These sanctions provided the international community with leverage over Iran, which contributed to a series of negotiations beginning in 2013 regarding Iran's nuclear program. After long, marathon sessions of negotiating, a deal between the “P5+1” nations (China, France, Russia, the United Kingdom, the United States, and Germany, the only non-P5 nation) and Iran was reached, known as the “Joint Comprehensive Plan of Action” or “JCPOA.” The agreement provides sanctions relief in Iran (i.e., reductions in UN- and US-sanctions on Iran) in exchange for limitations on Iran's nuclear program, including caps on the number of centrifuges, international oversight (conducted by the IAEA, or the International Atomic Energy Agency) and reductions in the amount of enriched uranium Iran is allowed to stockpile. Proponents of the deal say that the limits imposed on Iran's nuclear program increases Iran's “breakout time”—that is, the minimum amount of time Iran would need, if it fully accelerated its nuclear program forward, to develop a functioning nuclear weapon—from around 2-3 months pre-JCPOA to around a year with the JCPOA in place. Other proponents point to the benefits of sanctions relief on the people of Iran. Opponents of the deal point to the fact that most of the JCPOA's nuclear restrictions on Iran are scheduled to phase out after 15 years, the fact that Iran's ballistic weapons program is largely unaffected by the deal (which might allow Iran to sidestep the enforcement mechanisms and IAEA oversight of the JCPOA) and the fact that sanctions relief may allow Iran to access more money to provide to illegal armed groups like Hamas or Hezbollah, thus accelerating violence in the Middle East. The deal's acceptance in 2015 was fiercely contested within the United States. Israel, a close US ally in the Middle East, was heavily opposed to the deal, which emboldened conservative opposition to the JCPOA. Many Republican candidates in the race for the White House, including Trump, openly criticized the deal. Two years later, in May of 2018, the Trump administration withdrew the US from the JCPOA and re-imposed Iranian sanctions, including secondary sanctions thus limiting Iran-European trade. Recently in response, Iran has moved to accelerate its nuclear program, such as by enriching uranium to levels above what is permissible under the JCPOA. The government of Iran is divided into several components, but the most powerful political official in Iran—the Supreme Leader—has issued fiercely anti-Western and anti-US rhetoric since America's withdrawal from the deal just two years after it formally went into effect.
- The Biden administration has considered rejoining the deal. But Iran is hesitant to accept any US-brokered deal, largely due to a fear that the US will simply leave the accord once again in the future. Sanctions have crushed the Iranian economy, particularly during Covid. The value of the Iranian currency, the rial, has plummeted, causing import prices

to rise and making goods and services more expensive, thus inducing an inflationary spiral. Real wages have fallen due to decreased international demand for Iranian goods which have thus constricted revenues for Iranian businesses. Hardliners within Iran oppose any further nuclear deal, not only because they view Iranian nuclearization as within Iran's best interest, but also because about one-third of the Iranian economy is controlled by state-run firms owned by senior Iranian officials; those firms would likely be out-competed if sanctions were removed for a longer duration of time and thus face falling revenues.

### *JCPOA Timeline*

- 2013: In 2013, a more moderate President (Hassan Rouhani) was elected into power who supported negotiating with the West and P5+1 powers.
- 2013: A tentative temporary agreement is reached; Iran agrees to roll back parts of its nuclear program in exchange for temporary sanctions relief.
- 2015: A full agreement was reached after marathon negotiations; Iran agreed to heavily reduce its nuclear program and accept international oversight from the IAEA. In exchange, the P5+1 powers agreed to heavily reduce sanctions (including secondary sanctions) on Iran. In response, Iran complied with terms of the JCPOA, and received economic benefits as a consequence.
- 2018: Trump alleged that Iran was violating the JCPOA and argued that the deal was unfair to the US; subsequently, he backed out of the deal and reimposed sanctions on Iran. The EU stayed in, but the US reimposed secondary sanctions on Iran, leaving the EU afraid to trade with Iran for fear of US retaliation.
- 2019: Iran reneged on the agreement and began expanding its nuclear program.
- 2021: New elections end moderate Hassan Rouhani's grasp on power. Ebrahim Raisi, a hardliner with a jurist's background and close personal ties to Supreme Leader Ali Khamenei, was elected President.

### *Debating JCPOA*

#### Anti-JCPOA

- Iran funds lots of militias and terrorist groups (e.g., Houthi rebels in Yemen, Hezbollah in Lebanon, etc.); dropping sanctions gives Iran access to funds (e.g., frozen bank accounts worth ~\$50B USD) which allows those funds to reach militias.
- If the US re-enters the JCPOA, its regional strategic interests would be undermined. This is because Israel hates the deal and thinks it will accelerate Iran's progression towards a nuclearized state. Moreover, Israel is directly harmed by the actions of militant groups funded by Iran, and as a consequence, is opposed to relaxing sanctions on Iran for fear of increasing the funding of regional terrorists and emboldening Israel's enemies in the region to act more aggressively against Israel.

- The JCPOA doesn't do anything to stop Iran's ballistic missile development programs, which have the capacity to carry nuclear weapons if Iran continues enriching uranium
  - Iran has emphasized that keeping its ballistic missiles is non-negotiable; this is mostly because Iran's surrounding regional enemies (e.g., Saudi Arabia, Israel, etc) all have strong air forces (especially because they're often propped up by the US military) and the Iranian air force is outdated since it hasn't been updated since 1979. Consequently, Iran feels a need for ballistic weapons for national security, and because during the Iran-Iraq war, many of Iranian cities were targeted by missiles launched from Iraq, and at that moment in time Iran had no missile retaliatory ability.
- Even if Iran were to agree to conform back to the terms established by the JCPOA, this could prove to be harmful because the JCPOA causes fracturing within the highest levels of the Iranian government. Hardliners oppose the deal, (1) because they hate the West, (2) because they want to nuclearize Iran (which is easier in the absence of the deal), and (3) because military conservative religious elites control about one-third of the Iranian economy, and counterintuitively, these industries would be *harmed* by a more open Iranian economy with more contact with competitive, less corrupt foreign markets and producers.
- The JCPOA requires the West to reduce sanctions on Iran, which decreases the bargaining power and leverage that P5 countries have over Iran

### Pro-JCPOA

- Sanctions on Iran are actively bad, and the JCPOA lifts those sanctions: when sanctions were lifted on Iran in 2016, the economy grew by 13.4%, whereas the economy had contracted the year before in 2015. Secondary sanctions make it impossible for the EU to trade with Iran, and that means that Iran now sells most of their oil (over 90% of oil exports) to China. Moreover, the automatic benefits of sanctions relief for the Iranian economy would achieve three things. Firstly, they would create a short-term incentive for Iran to comply with its nuclear commitments under the JCPOA. Secondly, they would establish a foundation for the long-term work of implementing sanctions relief to facilitate major trade and investment deals, such as those involving the acquisition of civilian aircraft or foreign investment in the oil and gas sector. Finally, these automatic benefits would immediately boost Iran's economic resilience, providing a kind of insurance policy to the Raisi administration. A few specific ways in which sanctions are bad:
  - (1) Sanctions cripple the Iranian rial (the nation's currency), and since the central bank is barred from accessing tens of billions of foreign reserves stored/held overseas, it's hard for Iran to stabilize the value of its currency. This means that there's rapid depreciation of the Iranian economy, which creates an inflationary spiral domestically.

- (2) Sanctions cause the domestic economy to contract: real wages decrease as a consequence of being shut out of global markets and losing out on international demand, for instance, and oil revenues plummet when you can't sell to as many countries
- The JCPOA actively makes it harder for Iran to nuclearize because there are restrictions put in place (e.g., on centrifuges, uranium enrichment, etc) and because there are oversight mechanisms, like checks by the IAEA. In the counterfactual, there's an active arms race whereby there's an unmitigated push within Iran to nuclearize (this will also likely force Saudi Arabia to pursue nukes as well).

*Mahsa Amini*

- Since 1981, Iran has strictly mandated women to wear the hijab in public in accordance with Islamic values. In particular, Iran's "Guidance Patrol," or morality police, is chiefly responsible for policing Islamic dress codes and punishing women deemed to be in violation. On September 13<sup>th</sup>, Mahsa Amini was detained in Saqiz by a morality police unit for not wearing a hijab. She was beaten severely, and died just three days later in a Tehran hospital. Since then, protesters have flooded the streets of Iran, demanding justice. Amini's tombstone is inscribed with: "Beloved Žina, you will not die. Your name will become a code." Since their outbreak, protesters' demands have grown: Amini's death has sparked Iran's most powerful pro-democracy movement in decades (currently, Iran's government is heavily dominated by Islamic clerics, such as those in the Guardian Council and the Islamic Revolutionary Guard Corps, or IRGC).
  - Iran has had smaller protests in the past. For instance, in 2009, the "Green Revolution" witnessed mass protests following mass electoral fraud during the 2009 presidential elections. In 2017, protests erupted again due to economic stagnation and public frustration with the rule of Ayatollah Ali Khamenei, Iran's Supreme Leader. In 2019, protests broke out once again after energy prices spiked nearly 200%. In all instances, protests were met with violent crackdown.
- These protests are different. Social media has allowed protesters' messages to reach a global audience. Iranian women increasingly view themselves not just as reform-minded advocates, but as participants in a broad revolutionary movement fighting for the liberation of the Iranian people. Unlike past protests, these protests are characterized by an unusually broad coalition of supporters—women and men, urbanites and those in the countryside, and people of all classes. Protesters and sympathizers staged a three-day nation-wide strike, which saw a majority of shops and bazaars shut their doors. Even highly conservative areas, like Qom, have seen large protests. Khomein, where Ayatollah Khomeini, the founder of the modern Iranian state, was born, has seen arson attacks against Khomeini's former residences. In response, many Western states have imposed harsh sanctions on high-ranking Iran elites, particularly those with ties to the morality police. The UN Human Rights Council has motioned to open formal investigations into

Iran's persecution of protesters. Hundreds of personnel have deserted the Iranian army. Iran's support for Russia's invasion of Ukraine is deeply unpopular within Iran, further undermining public support for the regime.

- At the World Cup, stadium security officers have allegedly been instructed to detain Iranian fans displaying any form of solidarity with the protesters.
- In early December 2022, Iran's Attorney General officially announced the dissolution of the Guidance Patrol. However, this is unlikely to be true: political elites haven't yet confirmed that the morality police will be disbanded, and even if they are, it's likely to be *in name only*. Beyond that, Iran has responded with shocking displays of violence.

## **Armenia/Azerbaijan**

### Armenia

- Background: Armenia's capital city is Yerevan ("yer-eh-von"); around 35% of all Armenians live in Yerevan. Per capita GDP is approximately \$7,000. Ethnically, Armenians are the dominant majority (98%) and most (92%) follow the Armenian Apostolic Church; in fact, under King Tiridates III, Armenia was the first country to embrace Christianity in the 4<sup>th</sup> century AD. The Armenian dram is the national currency.
- Economy: Russia is Armenia's largest trading partner (26% of exports and 32% of imports), foreign investor (40% of net FDI), and energy supplier (Gazprom supplies 80% of Armenia's natural gas), although Armenia's Metsamor Nuclear Power Plant supplies substantial energy (nearly 40% of the national energy supply). Hence, Russia's economic decline threatens Armenia's economy, especially since Armenia is a party to Russia's Eurasian Economic Union (EAEU). Still, in 2022, Armenia's economy grew by 12.6%, thanks to Armenia's strong mining and industrial sectors (which the Soviet's Gosplan central planning agency developed heavily). Armenia's large diaspora sends home roughly \$5B in remittances every year.
- Government: In April 2018, Armenian President Serzh Sargsyan (accused of enabling corruption and manipulating the constitution to grab personal power) was forced to resign after mass protests—called the “Velvet Revolution”—led by the Civil Contract Party's Nikol Pashinyan, who remains Prime Minister. Even after public disapproval of the 2020 war with Azerbaijan, the Civil Contract won the June 2021 elections in a landslide. Historically, Armenia has had bitter relations with Turkey—for instance, the Turkey-Armenia border has been closed since 1993—yet Yerevan and Ankara have grown closer since the March 2022 normalization process began. Armenia remains frustrated with the Russia-led CSTO, yet the EU, which signed a major gas deal with Azerbaijan shortly after the Russo-Ukraine War began, has hesitated to back Armenia significantly in restoring regional stability. Armenia-Russia tensions soured after Armenia moved closer to joining the ICC; in return, Russia blocked Armenian dairy imports (totaling \$30M annually).

- History: For centuries, the Ottoman Empire governed over Armenia. Repression was widespread through the *millet* system, and as Istanbul (the Ottoman capital city, captured by Sultan Mehmed II in 1453) faced growing threats from Russia irredentism and Balkan nationalism, Armenians became scapegoats (e.g., the 1890s Hamidian Massacres and the 1909 Adana Massacre). When WWI began, the Young Turks entered the war backing the Central Powers; soon, the Young Turks' ruling Committee on Union and Progress ("CUP") embarked on a brutal genocide against ethnic Armenians in which over a million Armenians died. In 1920, the Soviet Union invaded and occupied Armenia as a Soviet republic until 1991, when Armenia voted for independence. Immediately, violence broke out in the neighboring Nagorno-Karabakh oblast, which is overwhelmingly Armenian but recognized under international law as part of Azerbaijan (in practice, Nagorno-Karabakh is *de facto* governed by the unrecognized Artsakh breakaway republic based in Stepanakert). Two wars (the first in 1992 won by Armenia, the second in 2020 won by Azerbaijan) have been fought in Nagorno-Karabakh between Armenia and Azerbaijan (backed by Turkey), both ending with Russia-brokered peace deals. Small-scale fighting continues, especially since Russia's preoccupation in Ukraine has created a regional power vacuum (e.g., Russian peacekeepers have failed to halt an Azerbaijani-backed blockade of the Lachin corridor).

### Azerbaijan

- Background: Azerbaijan's capital city is Baku (population 2.4M). Ethnic Azerbaijanis are the majority ethnicity (92%), Azerbaijani is the majority language (93%), and Shia Islam is the majority religion (97%). Per capita GDP is around \$5,400. The manat is Azerbaijan's national currency.
- Government: Ilham Aliyev of the New Azerbaijan Party has served as President since 2003, winning reelection—partially through fraud, violence, and intimidation—in 2008, 2013, and 2018; a controversial 2009 constitutional amendment allowed Aliyev to run in elections indefinitely. Azerbaijan's oil riches, extracted by state-owned SOCAR, have enriched Aliyev and his cronies, and enabled rampant corruption; in 2017, international journalists uncovered a \$2.9B money laundering scheme whereby Azerbaijani politicians covertly wired money through banks and fronts to European politicians to help white-wash Azerbaijan's international image. Under Aliyev, Azerbaijan remains close partners with Turkey.
- Economy: Azerbaijan relies heavily on its oil and gas industries, which comprise 90% of exports under SOCAR's extraction. SOCAR has been embroiled in many corruption scandals, including the 2017 car-bomb murder of anti-corruption journalist Caruana Galizia. Economic diversification efforts have stalled due to Azerbaijan's weak civil society, ineffective rubber-stamp legislature, and endemic corruption. Over 1M Azerbaijani expatriates send remittance payments totaling \$3.6B annually, spurring rural

development. Azerbaijan's oil-funded sovereign wealth fund is SOFAZ, which manages around \$50B USD.

- History: After the Bolshevik Red Army's invasion in 1920, Azerbaijan fell to Soviet control, which persisted until communism's fall in 1991. Soon after, simmering tensions in Nagorno-Karabakh broke out in the First Nagorno-Karabakh War between Armenia and Azerbaijan (see Armenia for details). After two years of devastating military defeats (which infringed on Azerbaijani sovereignty and created an internal migrant crisis), domestic political instability, and staggering inflation (exacerbated by the USSR's collapse), Azerbaijani voters in 1993 overwhelmingly elected Heydar Aliyev, a former communist official who led the Azerbaijani KGB and served on the Soviet Politburo, as Azerbaijan's President. President Aliyev served as a *de facto* authoritarian dictator (imprisoning opposition, empowering secret police forces, and cracking down on independent journalists) until he stepped down from power in 2003 due to his declining health. Heydar handed power to his son, Ilham Aliyev, who has ruled as Azerbaijani President ever since.
- Miscellaneous: Azerbaijan's victory in the six-week September 2020 Second Nagorno-Karabakh War was backed by Turkey and ended with a Russia-mediated ceasefire (and the deployment of Russian peacekeepers). Since then, Azerbaijan has exploited Moscow's preoccupation with Ukraine by establishing checkpoints along the Lanchin Corridor, irking Armenia. In July 2022, Azerbaijan and the EU struck a deal to double gas exports to the EU by 2027.

## Yemen

### Yemen History

- For centuries, Yemen was loosely governed by the Rassid dynasty, a series of religious leaders (namely, Zaidiyyah Shia imams) beginning with Al-Hadi's rule in 893. Yemen had a strong history of localism, which prevented Al-Hadi from expanding. Hence, for centuries, Yemen lacked a strong or cohesive central authority: many different dynasties and rival clans governed in the region, such as the Fatimid Caliphate, the Yemeni Hamdanid sultans, and the Zurayids.
- Over time, Yemen's political fragmentation begat vulnerability. By the 16<sup>th</sup> century, Portuguese merchants entered the Middle-Eastern region in hopes of solidifying trade routes through the Red Sea; despite repeated raids on major Yemeni cities, like Aden, Portuguese viceroys failed to establish a meaningful foothold in Yemen outside of the lone port of Socotra.
  - More importantly, the Ottoman (or Turkish) Empire developed an interest in Yemen. While the Ottomans had little *immediate* interest in Yemen, they realized that Yemen was a crucial buffer territory to protect Mecca and Medina, two of the holiest sites in the Islamic world, as well as naval trading routes that carried spices, jewels, and textiles from India. Hence, under the command of military

general Hadim Suleiman Pasha, the Ottoman Empire expanded into Yemen, and did so with relative ease, given the fragmentation which gripped Yemen. Consequently, the Ottoman Empire announced the formation of the Yemen Eyalet—the Empire's province in Yemen.

- However, Yemen soon split: Zaidi Shia militants in northern Yemen waged a brutal resistance against the occupying Ottoman forces, and drove them from the region by 1597. Subsequently, the rebels declared a Zaidi-led, independent Qasimid State. Within the following three decades, the Zaidis further expanded into the territories held by the Ottomans; by 1638, the Turks had been completely expelled from Yemen. For many decades, the state was highly prosperous, as Yemen monopolized the coffee trade.
- The Qasimid State loosely governed Yemen, but lacked a strong, centralized bureaucracy. As a consequence, by the 19<sup>th</sup> century, Yemen was falling apart. Internally, many small states, Islamic dynasties, and sultanates emerged and vied for regional power, as Qasimid leadership collapsed into disarray. The rise of unyielding Wahhabist militarism in neighboring Arabian kingdoms resulted in Yemen losing large swaths of coastal territory. In the ensuing chaos, the Qasimi State spiraled. Imams were assassinated and coffee crops were illegally smuggled elsewhere, biting into Yemen's share of the global coffee market.
- Britain soon took an interest in Aden's ports. After failing to negotiate a trade agreement, the British East India Company (EIC) forcibly intervened and established the Aden Protectorate<sup>22</sup> in the Hadhramaut region. Soon after, the Ottoman Empire, flush with advanced European weaponry after the 1853 Crimean War against tsarist Russia, re-expanded into Yemen and established the Yemen Vilayet, which subjected large chunks of Yemen, including Sana'a, to Turkish suzerainty. Northern and highland Yemen, however, remained independent. Under Turkish control, central Yemen was subject to the *Tanzimat*-era reforms. These largely failed, and corruption flourished in Yemen. However, Turkish leaders—cognizant of their defeat in Yemen centuries before—wisely disempowered local chiefs and pursued an agenda of regional secularization. Still, violence was common and disorder ran rampant.
- By the turn of the 20<sup>th</sup> century, Yemen was fragmented between Zaidi imam rule in the Upper Highlands, Ottoman rule in Lower Yemen, and British rule in Aden. When the Ottoman Empire disintegrated after World War I, northern imams expanded to fill the void and formed the Mutawakkilite Kingdom of Yemen ("North Yemen").
  - However, the Mutawakkilite Kingdom was fragile. The Saudi–Yemeni War of 1934 inflicted great pain on North Yemen and reduced its coastal territorial possessions. Periodic clashes with the British forces stationed in Aden, which the Mutawakkilites did not recognize, further sapped the country of military strength.

---

<sup>22</sup> Trade routes running through Aden became particularly important after 1869, which marked the opening of the nearby Suez Canal

North Yemen responded by sending its topmost military officers to Iraq to receive specialized military training; many of these well-trained officials would later play crucial roles in the 1962 coup d'état against the North Yemen government.

- Meanwhile, in South Yemen, political power was highly fragmented. The British protectorate in Aden was surrounded by three dynastic theocracies (the Qu'aiti State, the Kathiri State, and the Mahra Sultanate). However, Britain soon expanded into these neighboring territories,<sup>23</sup> and established the Federation of the Emirates of the South, which subsequently was transformed into the Federation of South Arabia after the incorporation of Aden and several other Yemeni states.
- Hence, by the beginning of the 1960s, Yemen was loosely divided into two political entities: the Mutawakkilite Kingdom in the north, and the (British-controlled) Federation of South Arabia in the south. In turn, neither would prove to be long-lasting:
  - In the north, a failed coup d'état attempt in 1948 destabilized the government. Ahmad bin Yahya, the following monarchical imam of the Kingdom, became paranoid, and demanded that all governing decisions be approved by him personally; this stunted political and economic development. When Ahmad died, his son, Muhammad al-Badr, assumed the throne. His reign was short-lived: just months after taking power, Egyptian-trained pan-Arab nationalists overthrew al-Badr and declared a new state, known as the Yemen Arab Republic. This prompted a brutal eight-year long civil war ("North Yemen Civil War"), in which both sides—al-Badr loyalists and revolutionary republicans—were bankrolled, armed, and funded by regional powers, like Egypt, and global hegemons, like the US and Soviet Union in the midst of the Cold War. By 1970, the war was over, and the republicans emerged victorious. Hence, North Yemen became the Yemen Arab Republic ("YAR").
  - In the south, spillover violence from the North Yemen Civil War, combined with Nasser's spreading of pan-Arab nationalism, led to two separate rebel groups emerging in opposition to the (British) Federation of South Arabia. The National Liberation Front, or NLF, was a Marxist guerilla paramilitary organization fighting for Yemeni independence. The Front for the Liberation of Occupied South Yemen, or FLOSY, shared the NLF's objective of removing Britain from the region, but endorsed Arab nationalism, rather than socialism, as its dominant ideology. Facing intense violence (starting with the "Aden Emergency"), Britain decided to withdraw from Yemen by 1967.<sup>24</sup> The NLF was invited to participate in independence negotiations, so when Britain officially withdrew from the

---

<sup>23</sup> Primarily, Britain was concerned by rhetoric coming from Egypt's President, Nasser, which encouraged the Yemeni people to rise up against their British occupiers. Britain had strong economic interests in the region—particularly after the discovery of crude petroleum—and did not want to see its grasp on Aden falter.

<sup>24</sup> Interestingly, the temporary closure of the Suez Canal may have played an even greater role in motivating this decision. Britain's chief interest in Yemen was its proximity to the Canal, so when the Canal was closed to British trade, Britain lost its major reason to stay.

region, the NLF assumed control and founded the People's Democratic Republic of Yemen (PDRY). During the “Corrective Move,” Abdul Fattah Ismail’s ultra-leftist Marxist faction of the NFL bloodlessly seized control of the NLF party apparatus. Under the NFL, Yemen became a single-party authoritarian regime adhering to Marxist-Leninism.

### Modern Conflict

- By the end of the 1960s, Yemen was officially bifurcated into two states: the nationalist Yemen Arab Republic (YAR) in the north, and the communist People's Democratic Republic of Yemen (PDRY) in the south. Intriguingly, the YAR and PDRY maintained mostly friendly relations, unlike other states in similar situations (like West and East Germany or North and South Korea), although small-scale conflicts broke out between the two states in 1972 and 1979. By the late 1980s, as Gorbachev’s *perestroika* reforms swept through the Soviet Union and many of its political allies, including the PDRY, the two Yemeni governments jointly agreed to pursue unification. The Republic of Yemen was officially proclaimed as Yemen’s unified government by 1990.
  - Within three years, the General People’s Congress, a pan-Arab nationalist offshoot of the YAR, had become the *de jure* ruling party in Yemen through democratic means. However, Yemen’s state was weak, as institutions were either nonexistent or ineffective. Consequently, clientelism flourished and elites—particularly military leaders and Saudi-backed local sheikhs—retained most political bargaining power.
- All of this precipitated divisive political animosity. While Yemen was unified as a state, it could hardly qualify as a *nation-state*. As a consequence, the country relied on a fragile bargaining system, which gave outsized power to northern nationalists. By 1993, Yemeni socialists—most notably Ali Salem al Beidh, who served as the country’s first Vice President—grew resentful of the economic marginalization of southern Yemen.<sup>25</sup> Consequently, al Beidh resigned as VP, relocated to Aden in the Southern Highlands, and announced the Democratic Republic of Yemen, a breakaway state in Southern Yemen. Negotiations failed to prevent war, and civil war<sup>26</sup> broke out in May of 1994.
  - The civil war ended in July, 1994, with a decisive unionist victory. Ali Abdullah Saleh remained President, and would remain so until 2012.<sup>27</sup> Many Socialist Party members (and, in particular, *leaders*) fled the country to neighboring Oman. Nonetheless, southern secessionist sentiment continued to rise within South Yemen, and has since organized into Yemen’s “Southern Movement.”

---

<sup>25</sup> Many other factors played a role. For instance, between 1993 and 1994, there was a wave of targeted assassinations of high-profile socialist leaders in Yemen.

<sup>26</sup> The ease with which southern secessionists militarized is attributable to the fact that by 1994, Yemen had not yet integrated the militaries of the former North and South Yemeni states.

<sup>27</sup> In effect, Ali Abdullah Saleh would rule as a *de facto* dictator in Yemen for nearly three decades.

### Ansar Allah

- Throughout the remainder of the 1990s, Zaidi Shia Muslims living in northern Yemen grew increasingly disenchanted with the central government in Sa'adah, particularly due to a series of *Sunnification* policies supported by hardline Wahabbists. These sentiments intensified as Yemen's government cozied up to the West and Saudi Arabia, and became even more fervent in 2003, when the US invaded Iraq. Zaidi activists, like those in the Believing Youth movement, embraced anti-American and anti-Zionist messaging.
- As Houthi activists proclaimed increasingly radical messages, like “Death to America,” Saleh’s administration feared that the movement would soon represent a real threat to Yemeni stability. Subsequently, in 2004, Saleh sent in the army to arrest Hussein al-Houthi, the prominent Zaidi militant leader; al-Houthi responded by declaring an insurgency against Saleh’s government, which caused the Yemeni military to launch a targeted campaign to arrest al-Houthi’s followers and assassinate al-Houthi himself.
- For the following six years, Houthi rebels—as well as various Shia clans in the Sa’adah Governorate—waged a low-intensity insurgency against Saleh’s government and Yemen’s military. Fighting was contained within Sa’adah, yet thousands still died.<sup>28</sup> By 2009, after years of instability and fear, public pressure by Yemen’s Sunni community forced the government to intensify its counterinsurgency efforts. This led to “Operation Scorched Earth,” which saw Yemen’s military use military outposts in neighboring Saudi Arabia to launch airstrikes against Houthi-held positions; in response, Houthi paramilitary forces encroached upon Saudi sovereignty and illegally entered the KSA’s Jabal al-Dukhan mountainous region. Soon, the insurgency metastasized. For instance, Al-Qaeda in the Arabian Peninsula, or AQAP, infiltrated Sa’adah, and Iran allegedly sent military instructors to Houthi-occupied regions in Yemen.

### Yemeni Intifada

- Following the self-immolation of a Tunisian street vendor, the Arab Spring protests spread throughout Northern Africa (e.g., Tunisia, Egypt) and the Middle East (e.g., Syria, Bahrain). By mid-2011, these protests surged into Yemen, driven by public discontent with high unemployment, endemic corruption, and Saleh’s increasingly-authoritarian rule.<sup>29</sup> Tens of thousands of protesters flooded the streets. Abdul Malik al-Houthi, the leader of the Houthi rebel movement, publicly came out in support of the protests.
- Weeks into the protests, the Hashid clan formally came out in opposition to Saleh. This led Sadiq al-Ahmar, the senior-most Sheikh within the ranks of the Hashid clan, to green-light military operations against government loyalists; soon, Sana'a, Yemen’s capital, was subject to intense shelling. On June 3<sup>rd</sup>, Saleh’s presidential palace was struck; the incumbent president was injured and airlifted to Saudi Arabia, where he temporarily transferred powers to Abdrabbuh Mansur Hadi, the acting Vice President.

<sup>28</sup> For instance, the 2008 Bin Salman mosque bombing killed an estimated 15 civilian worshippers.

<sup>29</sup> This was most credibly evidenced by Saleh’s proposed amendments to Yemen’s constitution, which would have further strengthened his grasp on power.

- While recovering, Saleh negotiated a deal with the Gulf Cooperation Council, which would see Saleh—the *thirty-three year-long* reigning President—step down from power in exchange for immunity from prosecution. While many opposition protesters celebrated the deal, the Houthi movement viscerally opposed the fact that Hadi, Saleh’s VP, was permitted to run, unopposed, for the presidency in the following election.
- As violence intensified throughout the country, the Houthis capitalized: they grew to fully control Sa’adah, Al Jawf, and Hajjah, and also had direct access to the Red Sea. With these tremendous territorial acquisitions, the Houthis begin preparing to lay siege to Yemen’s capital in Sana’a.
- In the following two years, the Houthi movement gained considerable support from the Zaidi Shia community, but also from many Sunnis, who were disillusioned with other weak, spineless opposition parties.

### **Battle of Sa’ana & Emergence of Civil War**

- By 2014, the stage was, for all intents and purposes, set: the Houthis were prepared to oust Hadi’s government from power, so when Yemen’s Prime Minister decided to revoke subsidies for fuel—causing diesel prices to skyrocket—the Houthis staged violent protests throughout the country. Then, in September of 2014, the Houthis violently stormed the presidential palace in Sa’ana, forced the Yemeni PM and President to resign, and announced the formation of a ruling council.
- By this point, the civil war had begun. Soon thereafter, the proxy dynamics of the war would emerge more powerfully, with Saudi Arabia (and a coalition of Gulf and Western allies) backing Hadi’s regime, and Iran (and allegedly North Korea) backing the Houthi rebels. Since then, the Southern Movement has metamorphosed into the Southern Transitional Council, and has pushed for the secession of Yemen’s southernmost governorates.

### **Syria**

- The Syrian Civil War is a multi-sided armed conflict within Syria and neighboring Iraq. The conflict is one of the bloodiest wars of the 21<sup>st</sup> century, having claimed hundreds of thousands of lives and created a mass exodus of refugees into the surrounding Middle Eastern region. Over twelve million people have been displaced from their homes, nearly half of them still trapped inside Syria.
- As the conflict has intensified, the different sides have become increasingly blurred. Bashar al-Assad’s Baathist regime battles with opposition, rebel groups like the Syrian Democratic Forces and the Free Syrian Army that seek a democratic and pluralistic post-conflict Syria. Fundamentalist groups like the al-Nusra Front and the Islamic State, driven by notions of Salafi jihadism, have sought to establish an Islamic caliphate in the region, yet have faced significant retaliation from air strikes and military support provided by a coalition of Western nations. The broader proxy conflict between Iran and

Saudi Arabia has further exacerbated the conflict as both nations have tried to exert influence within Syria, backed by their own respective powers like Russia and the US.

- Although al-Assad's regime has regained a majority of Syrian territory, violence remains widespread, and diplomatic talks have largely failed to bring about a peaceful solution to the conflict.

### Syria's History

- In 1980, Hafez al-Assad—a member of the Shia Alawite minority within Syria<sup>30</sup>—seized power and ruled brutally with an iron-fist. Just two years into his term as President, the Muslim Brotherhood staged an uprising in the Syrian town of Hama; al-Assad ordered the military to repress the movement, and in the ensuing period of violence, Syrian soldiers, at the behest of their President, killed well over twenty-five *thousand* people. This would later prove significant, not only because the legacy of Hama's attempted revolution inspired protests during the Arab Spring period, but also because Hafez al-Assad's son, Bashar al-Assad, who would later become Syria's leader, saw his father's action as a blueprint for how to deal with protest—namely, by employing the maximal degree of violence.
- Hafez al-Assad ruled as a kleptocratic autocrat, dishing out favors to political cronies and constructing vast patronage networks that saw corruption sweep through Syrian state-owned enterprises. Consequently, when Bashar al-Assad succeeded his father as Syrian President in 2000, he capitalized upon reformist narratives to curry buy-in and support from the Syrian people, who were increasingly disenchanted with the economy's stagnation. Bashar broke up powerful state monopolies, privatized state-run firms, and liberalized capital controls—but while these measures may, on face, appear to be well-intentioned, in practice, they worsened rural poverty, particularly because the revocation of agricultural subsidies and the elimination of price controls led to unsustainable price increases. This economic decline worsened dramatically in 2006, when a historically-bad drought<sup>31</sup> swept across the country, causing crop yields to plummet and many farmers to become unemployed. Many of these farmers subsequently relocated to shanty towns and the outskirts of cities, where many protests would subsequently break out.

### Arab Spring

- In December of 2010, a street vendor in Tunisia lit himself on fire in protest of the government's widespread corruption and authoritarianism; this proved to be a watershed moment in the fight for Middle Eastern democratization, as protest movements erupted

---

<sup>30</sup> The Alawites comprised around 12% of Syria's pre-civil-war population. Alawites were given extensive influence over Syria during the period of French colonialism that occurred after World War I and the British-French Sykes-Picot Agreement.

<sup>31</sup> Many scientists have credibly argued that this drought was exacerbated by climate change—a good, albeit tragic, example of the very real devastation that climate change brings about.

across the region in places like Egypt, Algeria, Morocco, and Yemen. Most of these movements failed, with perhaps the only major success story being Tunisia, where free, fair, and open democratic elections were eventually held after months of vigorous protesting.

- Inspired by this wave of democratic sentiment, several young children in the Syrian town of Deraa painted an anti-regime message<sup>32</sup> on a wall in their school. The children were subsequently arrested, taken into police custody, and tortured. When word of this was leaked, protesters swarmed the city, demanding political reform and the release of political prisoners. Enough was enough, in their eyes: having suffered under a half-century of repression and dictatorship, the Syrian people were hungry for change.
- Initially, the conflict had a vaguely sectarian dimension: Assad, an Alawite, was opposed by majority-Sunni protest and rebel organizations, which drove Assad to publicly castigate protesters as Sunni extremists and conspirators against Arab Baathism.<sup>33</sup>
- Bashar al-Assad, still the President of Syria, offered minor yet tokenistic reforms to appease the reform-minded protesters—but while he did so, he privately ordered the military to prepare for violent crackdowns. As the Arab Spring within Syria spread to larger cities like Damascus, security forces opened fire, killing scores of peaceful protesters; thousands were arrested, and many were extrajudicially executed. As the situation on the ground further deteriorated, Assad ordered the deployment of tanks to further crush opposition movements and cut electricity and water services to protesting towns. Still, Assad refused to back down, and the intensification of violence marked the beginning of a years-long civil war.

### Syrian Civil War

- Late in 2011, the Syrian military fractured: defectors, opposed to Assad's brutalistic moral degeneracy and supportive of a democratically-guided, reform-conscious Syria, mutinied, departed from the military, and formed the Free Syrian Army (FSA). In principle, the FSA was intended to be a unified opposition movement—tethered to its civilian counterpart, the Syrian National Coalition—but the diverging and variant interests of different factions and regional backers often meant that the FSA operated disjointedly. This, combined with the military supremacy of the loyalist (pro-Assad) factions of the Syrian army, meant that the FSA made little territorial progress during its first several months of operation, even as it received military assistance from neighboring Gulf states and was provided refuge in Erdogan's anti-Assad Turkey. Many FSA militants, dissatisfied with the SNC's limited success, defected once again to join Islamic militant groups that saw greater success on the battlefield.

---

<sup>32</sup> “The people want the fall of the regime” is what was spray-painted.

<sup>33</sup> Baathism, or Ba'athism, is a pan-Arab political ideology that advocates for Arab-style socialism and the eventual creation of a unified Arab state, formed by a vanguard political party. Famous Ba'athist parties include Saddam Hussein's former Ba'ath Party in Iraq.

- By 2012, the conflict had become increasingly complex: different rebel groups were loosely united in their opposition to Assad's Baathist regime centered in Damascus, but they had differing strategies, differing priorities, and differing conceptions on what a post-war Syria should look like. This led not only to infighting between rebels, but also complicated peace talks. By 2013, moreover, the conflict had seen the rise of the al-Nusra Front—ostensibly, the Syrian chapter of al-Qaeda—and the Islamic State of Iraq and Syria—the offshoot of al-Qaeda's terrorist cells in Iraq.
  - ISIS became, arguably, the best-known faction of the conflict around the world, and that's not only because of ISIS' shocking and rapid territorial gains between 2013 and 2015,<sup>34</sup> but more centrally because of the terrorist group's totalizing embrace of brutality.
  - Interestingly, the Assad regime—even though it publicly denounced the rise of fundamentalist terrorism—tacitly *supported* the rise of groups like al-Qaeda and ISIS, such as by releasing hundreds of Islamic militants from prison. Assad knew that these groups and their violent methods would draw international attention, thus allowing him to frame the conflict as a juxtaposition between his “law and order” approach to governing and the lawless savagery of these groups.
- By this point in the conflict, three dominant groups were involved: the Syrian government, various coalitions of rebel forces,<sup>35</sup> and Islamist extremists. However, as the conflict became globalized, that would rapidly change.

### Metamorphosis into a Geopolitical Proxy War

- Since the outbreak of the Syrian Civil War in 2011, several regional and global powers have become involved. Centrally, there are five:
  - **Russia** has provided extensive military and technical backing to the Bashar al-Assad governmental regime. Chiefly, this is because the Syrian warm-water Tartus naval facility (read: port) has been leased to Russia, which provides crucial passage for Russian vessels—and in particular, Russia's Black Sea fleet. Additionally, Russia has been given access to strategically located air bases in the Syrian province of Latakia, such as the Khmeimim Air Base; Russia has used these bases to launch air strikes against terrorists, but also against Western-backed militias. In exchange for these facilities, Russia has backed Assad (such as by providing weaponry) and has vetoed UNSC condemnations<sup>36</sup> against Syria.
  - **Iran** has funneled billions of dollars to prop up Assad's Alawite regime; although the Alawites are themselves Shia Muslims, as are the vast majority of Iranians, Iran's pro-Syria stance is more *realpolitik* than it is *religiously ideological*. Iran

---

<sup>34</sup> At its peak, ISIS controlled around ~40% of Iraq and ~30% of Syria. The *rate* at which ISIS expanded, as well as the brutality of their tactics, shocked the world.

<sup>35</sup> Most, but certainly not all, of these rebels were dominated by Sunni Muslims.

<sup>36</sup> More importantly, Russia has also exercised its veto power to block the provision of UN-sponsored aid to rebel-controlled areas, even as humanitarian aid is allowed to enter government-controlled areas.

has extended credit lines to the Syrian military, transferred oil to Assad's government, and has provided generous military aid to the regime. Centrally, Iran has done this for two reasons:

- First, Iran views Syria as a strategic battleground in its regional proxy war against Saudi Arabia; this is particularly important given the KSA's increased role in the Syrian conflict.
- Second, Iran has historically provided extensive financial backing to Hezbollah, a political/militant group<sup>37</sup> based out of Lebanon; Iran uses Iraq and Syria as the corridor to funnel resources to Hezbollah, which means that Syria is a strategically important region for Iran to have influence within, given its proximity to Lebanon.
- **Turkey**, led by its President Tayyip Erdogan, has been one of the most staunch critics of the Syrian regime, and has been a key supporter of the Syrian opposition movement, such as by providing arms shipments to rebels and allowing rebel groups to use pass through Turkish territory to regroup and launch assaults against Assad- or ISIS-held positions. Turkey has also allowed Western nations, such as the US, to conduct air/missile strikes on jihadist militants from Turkish air bases. Turkey's most major role in the conflict, however, has been its opposition to a variety of Kurdish<sup>38</sup> militias operating in both Syria and Iraq. In October 2019, Turkey invaded northern Syria to drive out a group of Western-aligned Kurdish militants, including the Syrian Democratic Forces and the Syrian Arab Army. Turkey has feuded with the West over its support for Kurdish groups in the fight against ISIS.
- **Saudi Arabia**, the regional enemy of Iran, has also participated in the war by providing financial backing and military assistance to various Sunni-affiliated rebel groups. Saudi Arabia, backed by the Western coalition involved in Syria, has been motivated primarily by its desire to compete against Iran.
- The **United States** and its **Western allies**, such as Australia, France, and Britain, have not directly intervened in the war, but have rather launched airstrikes against terrorist groups (most notably ISIS) that pose a threat to Western allies, like Israel. However, the West, more clandestinely, has also provided financing and training to various rebel groups, including the YPG—the Kurdish militia that acts as the SDF's militant wing.

---

<sup>37</sup> Hezbollah is intensely antagonistic towards Israel, so as Iran has exerted its influence within the Syrian Civil War, Israel has (unofficially) launched missile strikes against Hezbollah/Iranian infrastructure and convoys

<sup>38</sup> The Kurds are a stateless ethnic group with substantial populations throughout the Middle East, most notably Iraq and Turkey. The largest Kurdish nationalist organization, the PKK, or Kurdish Workers' Party, has been declared a terrorist group by the EU, US, and Turkey, after it fought a low-intensity guerilla war against Turkey for decades. A variety of political, social, and legal factors lay at the heart of the conflict, but the AKP—the largest party in Turkey, which consistently appeals to political conservatism and notions of Neo-Ottomanism—is ardently opposed to Kurdish nationalism. For instance, the reason why Turkey initially opposed the accession of Sweden and Finland into NATO was their support for Kurdish militias opposed by Turkey.

- In 2013, the Obama administration faced significant international criticism for walking back on a prior “red line” declaration, which had promised US military intervention into Syria if the Assad regime deployed chemical weapons.
- In 2017, under Trump, the US—for the first time in the history of the war—launched cruise missiles directly against bases controlled by the Assad regime; this was done in retaliation to chemical weapons attacks carried out by the Syrian military. However, by late 2019, the US withdrew most of its remaining forces from Syria, which subsequently prompted Turkey’s incursion into northern Syria.

### Humanitarian Crisis

- The Syrian Civil War has incurred a devastating humanitarian toll: 6.6 million people have become internally displaced, and another 6 million have been forced to flee the country since the outbreak of violence in 2011. The vast majority of these refugees have fled to neighboring countries, like Turkey,<sup>39</sup> Lebanon, and Jordan.
- At the peak of the refugee crisis, in 2015, many refugees—perhaps as many as 1.3 million from the region in totality—sought safe haven in Europe, contributing to the “European migrant crisis,” which saw the EU provide extensive financial support to Turkey in exchange for Turkey agreeing to accept the incoming migrants and close the EU-Turkey border. However, the migrant crisis contributed to a rise of right-wing populism within many European liberal democracies.

### Afghanistan

#### Demographics and History

- Afghanistan is a majority Sunni Islam nation, with approximately 85% of all people living in Afghanistan practicing the faith. Shia Muslims account for around 10% of the population. Afghanistan is highly ethnically diverse: the major ethnic group is the Pashtuns, representing about 40% of the Afghani population.
- Throughout the first half of the Cold War, Afghanistan was officially neutral, but benefited from the USSR-US rivalry: both nations vied for influence in Afghanistan by investing in infrastructure projects. Afghanistan thus enjoyed good relations with both the United States and the Soviet Union.
- From 1933 until 1973, Afghanistan was ruled by an absolute monarchy. In 1978, the Saur Revolution occurred, under which the ruling Afghani government was deposed in a bloody coup d'état. This resulted in the rise of the People's Democratic Party of Afghanistan (PDPA), a Marxist-Leninist political party backed and supported by the Soviet Union. Significant protests, riots, and violence against the PDPA led the Soviet Union to invade Afghanistan in 1979 in order to back the socialist PDPA government.

---

<sup>39</sup> Three million Syrian refugees, in fact, have fled to Turkey since the outbreak of the war.

- The Afghan mujahideen represented the main militant opposition to the PDPA. The mujahideen was a diverse, heterogeneous collection of rebel militias and organizations, but they were unified by their common desire to overthrow the Soviet-backed communist Democratic Republic of Afghanistan, run by the PDPA. The conflict turned into a proxy war, as the US, as well as other countries like Pakistan, funded and supported the mujahideen in their battle against the Soviet-backed communist government.
- In 1989, the Soviet Union under Gorbachev withdrew from Afghanistan. Even though the PDPA no longer received direct military support from the Soviet Union, they continued to receive funding from the USSR, as the US continued to fund and support the Afghani mujahideen rebels. Between 1989 and 1992, after the withdrawal of Soviet forces, Afghanistan became embroiled in a brutal civil war, concluding in 1992 with the fall of the communist PDPA government and the establishment of a coalition mujahideen government. Subsequently, factions of the mujahideen splintered off and became disillusioned, plunging the country into another four years.
- Throughout many years of fighting, a significant number of Afghans had been driven out of the country and into neighboring Pakistan. Many of them were taught in Pakistani madrassas. Opposing the instability and lawlessness that had overcome most of Afghanistan, a collection of Afghani refugees and disillusioned mujahideen rebels formed the Taliban, an ultraconservative, Sunni religious-political movement. Starting in 1994, the Taliban militarily spread across Afghanistan, and by 1996, the Taliban had established military and political control over nearly 90% of the country. Between 1996 and 2001, the Taliban imposed a brutally repressive, Islamic governmental rule over the nation, suppressing political liberties, blocking women from exercising nearly any rights, and committing mass human rights violations. During the course of its rise, the Taliban received military support from Pakistan and financial support from Saudi Arabia.
- On September 9th, 2001, the leader of the Northern Alliance, the main military coalition within Afghanistan that opposed the Taliban's rule, was assassinated, dealing a critical blow to the organization.
- After the September 11th attacks, the US passed the Authorization for Use of Military Force (AUMF), authorizing the use of the US military in the War on Terror. Subsequently, the Bush administration demanded that the Taliban extradite Osama bin Laden, the head of the terrorist group al-Qaeda, to the US, and demanded that other terrorist bases in the country be shut down. The Taliban effectively refused, prompting the US and its close allies to launch a full-scale military intervention into the country in October of 2001. By November 12th, 2001, Kabul—the capital city of Afghanistan—had been captured by the intervening coalition forces.

## Occupation

- By December 9th of 2001, the Taliban was defeated; while many Taliban militants were arrested and detained, others fled to the mountainous outskirts of Afghanistan to evade capture.
- In December 2001, the coalition forces invited a number of prominent Afghani political figures, organizations, and militias to an international conference in Germany. There, the Bonn Agreement was signed, creating an interim government. This Transitional Islamic State of Afghanistan was headed by interim President Hamid Karzai. Subsequently, the International Security Assistance Force (ISAF) was created to secure the capital city of Kabul from opposition forces, as well as train the Afghan military and rebuild key government institutions. Eventually, by 2006, the mandate of the ISAF expanded to protection of the entire country. The ISAF was run by NATO, and all thirty NATO member states provided military support like equipment and soldiers to the ISAF.
- The US and its NATO allies begin a policy of reconstructing and rebuilding Afghanistan. The system was intended to reflect the Marshall Plan used to rebuild Europe in the aftermath of World War II. Chiefly, the US relied on “Provincial Reconstruction Teams,” which were local teams that worked with regional governments to rebuild physical infrastructure, improve security, and extend the authority of the central, interim Afghani government in Kabul. The PRT system came under significant criticism for its disorganized and decentralized planning.
- Beginning in 2003, the remnants of the Taliban began an insurgency campaign against the interim transitional Afghani government propped up by the West. The international military coalition responded by ramping up military strikes against Taliban hideouts in southern Afghanistan. Violence spikes in July of 2006.
- In October 2004, the transitional Afghani government held its first national election. Karzai won by a large margin. Several weeks later, Osama bin Laden resurfaced, recording and releasing a video in which he publicly accepted responsibility for the 9/11 attacks, and blamed the US intervention for destroying his country. The following year, Afghanistan held another set of elections, considered the most democratic in Afghani history. Over six million voters participated, with nearly half of them being women. Multiple seats were set aside in both the lower and upper houses of parliament specifically for female representatives.
- Under the Obama administration, the US ramped up its military presence in Afghanistan and pledged to increase aid to Pakistan in an effort to crack down on terrorist safe havens. In 2009, Afghanistan’s national elections were widely accused of being corrupt even while Karzai won re-election. In 2011, Osama bin Laden was killed by a US raid.
- The US and its NATO allies decided to begin a gradual troop withdrawal in 2011, with plans to hand full control over security operations to the Afghani military by 2014. In reality, this was completed by June of 2013. Remaining US and NATO forces were tasked with military training and specific counter-terrorism operations. In May of 2014, Obama announced further reductions in US troop levels.

### Peace Process

- In January of 2012, the Taliban promised to open a Qatari office where negotiations would subsequently be held with the United States. The Taliban subsequently backed out of these peace talks, furthering the violence that had gripped Afghanistan.
- Beginning in late 2018, the US and Taliban began a series of secret peace talks. Russia held a separate set of peace talks with Taliban leadership, separate from American efforts. The Taliban refused to negotiate directly with the Afghan government, which it viewed as a puppet state of the US. By February 2019, the Taliban and the US were working towards a peace deal under which the US would withdraw its forces in exchange for the Taliban banning terrorist groups from operating within Afghanistan. By August of 2019, the US and Taliban were allegedly approaching a peace deal, but in September 2019, Trump backed out of further peace talks and refused to sign an agreement reached between the US and the Taliban after a Taliban attack in Kabul killed an American soldier.
- Peace talks between the Taliban and the US resumed in December of 2019, and arrived at a peace agreement in February 2020. The terms of the treaty stipulated that the US would reduce its military presence in Afghanistan within several months, then fully withdraw its forces over the next fourteen months if the Taliban upheld its end of the peace treaty. In exchange, the Taliban pledged to hold intra-Afghanistan peace talks with the Afghani government and prohibit al-Qaeda from operating within Taliban-controlled portions of Afghanistan. Furthermore, the peace treaty necessitated that the Afghani government and Taliban engage in a prisoner swap. However, as the Afghani government had not been present for the negotiations, the Afghani government in Kabul subsequently rejected the prisoner swap, claiming that such matters were the authority of Afghanistan, not the authority of the US.
- After a lengthy and disputed process that eventually resulted in over 5000 Taliban fighters captured by the Afghani government being released, intra-Afghanistan peace talks between Taliban and Afghani diplomats began in September of 2020. Talks continued into January of 2021. Subsequently, in April 2021, US President Biden announced his plan to fully withdraw US forces from Afghanistan before the twentieth anniversary of the 9/11 attacks.

### US Withdrawal

- The Doha Agreement—the peace agreement signed between the US and the Taliban in February 2020—stipulated that the US would withdraw its forces fourteen months after its initial reduction in troop levels. In April 2021, Biden announced the withdrawal would be complete by no later than September 2021. Criticism of the Doha Agreement stems from the Taliban’s increased levels of violence after the signing of the accord, since the US promised to uphold its end of the agreement only should the Taliban do its part.

- As the US withdrew its forces, the Taliban began a ferocious military offensive. Within the first three months of offensive military operations, the Taliban expanded its territorial holdings enormously, gaining control over one hundred and fifty additional districts.
- As the US withdrew, it recognized the importance of evacuating US personnel, and organized a vast evacuation program. In July 2021, the US Congress passed a bill permitting the evacuation of Afghani translators that had been used by the US military. As the Taliban rapidly expanded its influence throughout Afghanistan, US and NATO forces were forced to evacuate through the international airport in Kabul; many have drawn parallels to the US evacuation at Saigon, known as the Fall of Saigon.
- Subsequently, the Taliban declared victory as the President of Afghanistan fled the country, and the Taliban established full control over the entirety of Afghanistan. As much US military equipment was left behind in the control of the Afghani armed forces, when the Taliban seized Afghani outposts, it came into possession of US military technology. However, as most of the equipment requires consistent and expensive maintenance, it's unlikely the Taliban will gain much of a strategic or military advantage from its possession of US military equipment.
- While US defense officials anticipated a potential Taliban takeover of Afghanistan, they were surprised by the time in which the Taliban successfully conquered the nation: some officials expected Kabul to fall to the Taliban within three months of the US withdrawal, yet just ten days later, Kabul found itself under Taliban occupation. There's ongoing speculation as to why the fall of Afghanistan was so rapid, but there are several primary reasons:
  - (1) Intelligence failures. The inability of the US military to properly assess the geopolitical and military situation of Afghanistan contributed to its rapid downfall.
  - (2) Inability and unwillingness to fight. Despite spending more than \$89 billion on training and arming and preparing the Afghani military to stand its own ground, as the Taliban swept through rural villages and strategically infiltrated cities, many areas simply surrendered or brokered deals with the Taliban, evidencing an unwillingness to fight back. This is chiefly because of a lack of faith that the central government in Kabul would back their defensive efforts. Moreover, the US withdrawal generated a counterproductive signaling effect: by publicly announcing its withdrawal and leaving the country entirely, the US demoralized Afghani military and police forces.
  - (3) Dependency on US and NATO-coalition backing. As Western military forces abandoned the Afghani government, they found themselves psychologically and materially incapable of resisting the Taliban's takeover, even in spite of their numerical advantage against the Taliban.
  - (4) Ineffective and corrupt mismanagement. The Afghani government has long been plagued by internal networks of corruption, and that trend has spilled over

into the ranks of the military. Without US backing, Afghanistan had little capacity to retaliate against the Taliban. For instance, many soldiers of the Afghani military are chronically underpaid and under-resourced, which is why many Afghani fighters opted to sell their weapons to the Taliban rather than engage in armed defense and resistance.

- (5) Poor Western strategy. The premise of US and NATO reconstruction efforts was built around the construction of a strong central government in Kabul, something alien to the majority of the Afghani people. Some analysts claim the US-backed government in Kabul was destined for failure—the Western conception of government forced upon Afghanistan was doomed from its inception. This is particularly important given the internally diverse nature of Afghanistan.
- The Taliban's control over Afghanistan poses many national and international concerns: chief among them is the Taliban's brutally repressive totalitarian ruling method and its oppression of women and other minority groups.

### Humanitarian Crisis

- Since the Taliban rose to power, they have publicly stated a willingness to reform, e.g., by publicly announcing a willingness to accept women's rights, but in reality have been brutal in their rule, doing things like public executions.
- The international community has been unwilling to accept or officially recognize the Taliban as the legitimate government of Afghanistan, even despite the Taliban's de facto stranglehold over Afghani politics.
  - **Pakistan** has been generally supportive of the Taliban's regime in Afghanistan. Islamabad wants greater influence within Afghanistan to combat/moderate the TTK (Tehrik-i-Taliban Pakistan), a terrorist group with operations in Afghanistan which consistently targets Pakistan. Pakistan's Prime Minister has, in the past, called for increased engagement with the Taliban-led Afghani state. Due to close proximity to Afghanistan, Pakistan wants a stable Afghanistan.
  - **US/Western Europe**, much like the '90s, have refused to recognize the Taliban as the legitimate form of government in Afghanistan.
  - **Iran** is generally opposed to the Taliban. In 1998, when Afghanistan was under full Talibani control, the Taliban executed ten Iranian diplomats, bringing Iran and Afghanistan to the brink of war (UN-led mediation resolved the crisis without military intervention). In December 2021, there was a small border skirmish between Taliban and Iranian forces; no casualties were reported, and both governments subsequently declared the conflict a "misunderstanding." In November 2021, senior leadership of the National Resistance Front of Afghanistan, the major resistance/opposition movement within Afghanistan

- against the Taliban, met in Iran to discuss means of strengthening opposition movements.
- **Russia?** During the ‘90s, Russia recognized the Taliban as a terrorist group, supported the NATO-led cause to overthrow the Taliban. Russia supported the (non-Taliban) Afghani government, e.g., then-Afghan President Hamid Karzai was among the very few world leaders to openly recognize Russia’s annexation of Crimea. During the rise of ISIS (2014-2016), Moscow wanted to protect Russia’s image as pro-stability and anti-terrorism, so Russia militarily cooperated with the Taliban to fight Daesh. Current: Russia maintains cautious but limited engagement with the Taliban. Russia (like China) kept their embassy in Kabul open even as other nations (e.g., the US) did the opposite. Foreign Minister Sergei Lavrov of Russia announced that outright recognition of the Taliban is off the table for the time being. Afghanistan has important trade implications (i.e., as Afghanistan is a major landlocked Central Asian state bordering important nations like Iran) and has valuable natural resource reserves. One of Russia’s main geopolitically strategic allies in the region, Tajikistan, is fiercely opposed to the Taliban (the dominant Tajik ethnic group within Tajikistan also represents a minority within Afghanistan, yet has faced severe repression at the hands of the Taliban).
  - **China** has not explicitly recognized the Taliban. China wants the Taliban to crack down on transnational terrorism originating in Afghanistan. In recent months, the Taliban expelled Uyghur militants from the northeast region of Afghanistan, a move seen by analysts as in line with its China agreements on transnational terrorism. As the West has economically shut itself off from Afghanistan (e.g., by freezing assets held in the Federal Reserve & European Central Bank) the Taliban has increasingly turned towards China for investment. For instance, in early September, China became the first country to offer aid to Afghanistan to address their humanitarian crisis.
  - After the Taliban toppled the Western-led government in the middle of August, the US, along with international bodies including the World Bank and the International Monetary Fund (IMF), decided to cut off Afghanistan’s access to more than \$9.5 billion in assets and loans.
    - Context: Afghanistan is plagued by drought, is being ravaged by Covid, and continued displacement due to violence between rebels, the Taliban, and terrorist groups like ISIS-K. Under the now-collapsed, Western-backed government led by President Ashraf Ghani, 43% of Afghanistan’s GDP came from foreign aid. About 75% of public spending was funded by foreign aid grants. Foreign aid previously funded much of Afghanistan’s public sector — including half of the country’s 2020 spending on education and large portions of its healthcare system, which relied on \$600 million from the World Bank. 90% of Afghans live on an

income of less than 2 USD a day, and even before the rise of the Taliban, an estimated 18.4 million people—nearly half the country’s population—were in need of humanitarian aid.

- Since the Taliban rose to power, the US blocked access to billions of dollars in Afghan central bank reserves held in the US. As a consequence, the Taliban likely has access to 0.1% to 0.2% of the country’s international reservesIn August, the European Union suspended development funding—long-term aid that supported projects ranging from healthcare to agriculture and law enforcement—to Afghanistan but said it would maintain humanitarian aid and observe what kind of government the Taliban formed. Germany and Finland announced a halt to development aid the same day. On Aug. 18, the International Monetary Fund paused the release of more than \$400 million in funds, citing “a lack of clarity within the international community regarding recognition of a government in Afghanistan.” On Aug. 24, the World Bank also stopped disbursing aid money earmarked for the country. The asset and aid freezes were meant to keep money out of the Taliban’s hands until more was known about how the group would govern and how it would treat Afghan citizens.
- When the Taliban seized power in August, decades-old sanctions applied to the group and its leadership by the US and UN complicated any financial transactions with the new Taliban government.
- More recently, aid groups and international donors have been seeking to route aid through NGOs and non-Taliban third parties. For instance, the US Treasury issued general licenses that would allow aid groups, including the UN and NGOs, to deliver humanitarian aid—e.g., food, medicine and services that provide “basic human needs”—to people in Afghanistan, even while the U.S. maintains sanctions on the Taliban.

### Rule Under the Taliban

- Afghanistan is governed by a highly repressive totalitarian ultraconservative Islamist theocracy; promises of liberalization have hardly materialized with women barred from education, Pashtuns dominant in bureaucratic posts, and economic and social instability widespread. Hibatullah Akhundzada serves as the Taliban’s reclusive supreme leader; little is known about Akhundzada, who lacks a digital footprint, other than his background in judicial background in Talibanic Sharia courts and his religious position as *Amir al-Mu’minin*. In the lead-up to August 2021, the Taliban received extensive support from the Pakistani ISI (which views the Taliban as a geopolitical asset against India) and the Iranian IRGC. Kabul under Taliban control struggles to court international legitimacy. No country has yet diplomatically recognized the Taliban as Afghanistan’s legitimate government (even though several (e.g., Russia, China, Pakistan, and Iran) have nominally reopened diplomatic relations to develop infrastructure (e.g., the Trans-Afghan Railway),

combat regional terrorism (e.g., al-Qaeda and ISIS-K), and address Afghanistan's food and humanitarian crises—with a staggering 90% of the country deemed to be at high risk of food insecurity especially as (1) aid inflows diminish due to sanctions, limited international media coverage, and Taliban restrictions, (2) a historic drought reduces crop yields, (3) intense natural disasters (especially flash floods) afflict 33 of Afghanistan's 34 provinces, and (4) severe mismanagement, corruption, and incompetence in Kabul worsens the economic crisis. The National Resistance Front of Afghanistan, endorsed by former Vice President Amrullah Saleh, has sustained a low-intensity insurgency against the Taliban since Kabul fell; the NRF is primarily concentrated in the Panjshir Valley, where the Hindu Kush mountains lay.

- **Economy:** The Afghan economy has crashed precipitously since August 15, 2021 (with GDP falling 20.7% in 2021 alone). The Taliban's tax regime has proven poor; 57% of tax revenues come from at-the-border regressive taxes on imports. Trade has declined due to sanctions and the revocation of security/military assistance, informal economies have grown, the Taliban has been locked out of billions of foreign exchange reserves held in the US, banks have hesitated to enter the economy, social services have been decimated by desolate state coffers and brain drain out of the country, and millions of Afghans live in near-perpetual risk of food insecurity. Opium remains a significant (albeit criminal) export.

## **Ukraine**

### *Counteroffensive's Failure*

- The ZSU's advance<sup>40</sup> remains underwhelming albeit hard-fought. The counteroffensive began on June 4, but from the outset, faced many difficulties: the ZSU lacks air superiority; Russian-held positions are swarming<sup>41</sup> with anti-personnel TM-62 landmines, pyramidal dragon's teeth, razor wire, camouflaged bunkers, concealed vehicle revetments, and berm lines; and terrain in southeastern Ukraine oscillates between grassy steppes (where advancing forces are vulnerable) and forested tree lines (where Russian forces like tactical SVD snipers are embedded). Ukraine's aims? Seize territory lost in Russia's initial incursion (e.g., Zaporizhzhya and Donetsk), sever Crimea from Russia proper, reach Melitopol and eventually the Sea of Azov, re-energize Western faith in Zelensky's chances of victory, and inflict critical damage on Russian forces.
- May's bloody battle for Bakhmut, led by Yevgeny Prigozhin's Wagner ("Vagner") Group, preceded the counteroffensive. After Bakhmut fell to Russian occupation, Ukrainian forces staged "shaping operations" in Velyka Novosilka and Orikhiv. Then, in early June, the counteroffensive began in full force. Since then, Ukraine has recaptured thousands of square kilometers worth of territory, per credible open-source intelligence estimates;

---

<sup>40</sup> The ZSU (3CY) is the Ukrainian Armed Forces; its anglicization is AFU.

<sup>41</sup> The CSIS argues that "Russian fortifications in Ukraine are the most extensive defensive works in Europe since World War II."

Ukraine has made small, incremental gains in a blood-rich war of attrition. The ZSU has waged a three-axis offensive in Northern Donetsk (near Bakhmut), Southern Zaporizhzhya (near Mala Tokmachka), and Western Zaporizhzhya (near the Dnipro River).

- But progress has been slow and the counteroffensive has lacked Kherson- or Kharkiv-style sweeping victories of autumn 2022; even where the ZSU has recaptured territory, Ukraine has paid a steep price. Ukraine's attrition strategy is burning through ammunition (so rapidly that Zelensky requested, and received, controversial "cluster" bombs from Biden's White House). Thousands have died and Russian artillery has reduced entire brigades to smoldering ashes. Advances are measured in yards, not miles. Western skeptics of military aid to Ukraine are growing ever-more cantankerous. Several factors explain Ukraine's difficulties.
- First, Russian defenses have slowed Ukraine's advance. In particular, hundreds of miles of heavily fortified frontlines are thicketed with Russian TM-62, TM-83, and PFM-1 mines; Ukraine lacks sufficient mine-clearing technology, and Western mine-clearing devices (namely, Germany's Wisent 1 MCT, America's M58 MICLIC, and Croatia's DOK-ING MV-4) are so large, loud, and noisy that they are easily identified and destroyed by Russian anti-tank missiles. For instance, at least half of Ukraine's (German-supplied) Leopard 2R Mine Breaching Vehicles have been destroyed since June; in fact, an estimated 20% of all Western-donated fighting vehicles and tanks were destroyed in just the first two weeks of Ukraine's counteroffensive.
- Second, the counteroffensive began later than expected. Credible sources claim that ZSU military planners had hoped to first launch counteroffensive operations in late spring but ammunition shortages (and delays in Western munitions shipments) caused delays—giving Russia precious time to further militarize its fortifications and mine the frontlines. At the Aspen Security Forum, Zelensky confirmed as much: "We did have plans to start it in the spring, but we didn't because, frankly, we had not enough munitions and armaments and not enough properly trained brigades... properly trained in these [Western] weapons."
- Third, Ukraine's military strategy has been poor. That's no surprise: since 2014, Ukrainian military training has focused almost exclusively on *defensive* operations (aiming to deter/prevent a Russian incursion) rather than *offensive* operations; consequently, Ukrainian brigades have struggled as they adjust to a new style of warfare. Advanced training has been disappointingly ineffective. Nine ZSU brigades comprising 36,000 troops received four/six weeks of combined-arms training from US military experts. But several of those brigades have struggled to execute complex American-favored tactical maneuvers effectively. For instance, one ZSU division was meant to launch a midnight raid backed by heavy artillery fire, but they mistimed the raid and mobilized just after dawn, leaving infantry exposed to Russian air-to-surface missiles. Elsewhere, ZSU tactical decisions have appeared confused. *Why did Ukraine*

*deploy the 47<sup>th</sup> Mechanized Brigade to Southern Zaporizhzhya without the Slovenian M-55S tanks it had been promised? Why has ZSU leadership concentrated Ukraine's focus on the Orikhiv-Tokmak axis, which is among the most heavily fortified sections of Russian territory?*

- Coordination has been problematic: Soviet-style top-down centralization dominates Ukraine's command and control apparatus, which means ground-level commanders often lack command staff training. Adding to Zelensky's headache is the fact that the ZSU relies heavily on Motorola 256-bit encrypted tactical communications systems which FSB "EW" (electronic warfare) cryptographers are rumored to have partially cracked.
- By contrast, Russian tactics have improved. The sporadic chaos of February 2022 has given way to clear command structures even as troop morale has, by most estimates, fallen. For instance, Russian tanks now use thermal camouflaging (after Ukrainian anti-tank missiles found devastating success last fall). Russian engineers have mastered the use of anti-tank mines and complex fortification structures and have embraced the Ratnik and Strelets communications systems, both of which are vast improvements. Russia no longer stores ammunition in large, bulk quantities on the front line but instead transports ammunition via rail line.
- Fourth, Ukraine has spread its forces too thin. During the counteroffensive, ZSU mechanized assaults have predominantly consisted of platoon-level infantry units backed by a pair of tanks, fighting tree-to-tree,<sup>42</sup> rather than large-scale company-level "cinematic" raids charging towards Russian lines with hundreds of tanks and infantry fighting vehicles. Therefore, breaking Russian defenses has consistently been a tall order especially with freshly mobilized soldiers lacking proper training and brigades subject to ever-changing ranks.
  - Ukraine also waited until mid-August to intensify targeted military operations against the so-called "Surovikin Line" of Russian defenses. Complicating matters is the unfortunate brilliance of Valeriy Gerasimov, who masterminded Russia's "active defense" tactics which encourage brief Russian counter-strikes against recaptured Ukrainian territory. Storm Z battalions, composed of convicted criminals, have proved more effective than anticipated.

#### *Western Military Aid*

- What weapons has Ukraine received from Western countries?
  - **Tanks:** Ukrainian armored tank battalions consist primarily of Soviet-era Uralvagonzavod-produced T-62 and T-72 tanks, but Western governments have

---

<sup>42</sup> Ukraine's use of decentralized warfare has been frequently criticized by Western military scholars. One leaked report from the White House from mid-August expressed the "serious frustration" of Biden's DOD with Valery Zaluzhny, the four-star general serving as the ZSU's Commander-in-Chief. On August 17, credible intelligence reported that the US intelligence community no longer believed Ukraine could capture Melitopol thanks to its tactical ineptitude.

sent better-armored, faster-moving, and more fuel-efficient tanks to the ZSU (Ukraine's military). These include Leopard 2 tanks (sent by Germany and Spain), Challenger 2 tanks (sent by the United Kingdom), and M1 Abrams tanks (sent by the United States). Ukraine has received armored fighting vehicles (AFVs) and infantry fighting vehicles (IFVs) from the West, including Bradley and Stryker vehicles.

- **Air Defense:** Russia's hypersonic and ballistic missiles, especially Kinzhal Kh-47 and Vympel R-37 missiles, pose challenges to Ukraine's air and ground forces alike. Western military aid has given the UAF important defenses against these threats: Norway's NASAMS anti-missile system, America's Patriot missile defense system, Soviet-designed BUK and S-300 surface-to-air interception systems, Germany's Gepard anti-aircraft guns and IRIS-T honing missiles, Britain's Starstreak anti-aircraft missiles, and Italy's SAMP/T air defense systems. Ukraine has also received mass shipments of drones, including Turkish Bayraktar drones and American Switchblade and Altius-600 drones, and Mi-17 helicopters.
- **Missiles and Rockets:** Ukraine's American-manufactured artillery systems—especially M270 Multiple Launch Rocket Systems (MLRS), HIMARS rocket launchers, and M777 Howitzers—have vastly greater launch ranges and better GPS guiding systems than Russian artillery. Western launchers and rockets—including Nlaw, Stinger, Sidewinder, and Javelin missiles—have also aided Ukraine's defense. Ukraine is currently asking for controversial cluster bomb munitions, which are banned under international law and, according to military estimates, 97% of deaths caused by cluster bombs are civilians; the Biden administration agreed to Zelensky's hotly disputed requests.
- **Fighter Jets:** In May, the Biden administration reluctantly agreed to permit the delivery of F-16 fighter jets, built by Lockheed Martin and used by the world's strongest air forces. F-16s are revered for their maximum speed (twice that of sound), precision-guided ammunition (usually Maverick missiles), and artillery range (estimated at around 500 km). In total, the US has sent over \$42B in military aid to Ukraine.

<b>This House Opposes Biden's agreement to send F-16 fighter jets to Ukraine</b>	
GOV: F-16s are poor candidates for Ukraine's air force. Training will take at least six months, and likely more, during which time Ukraine's best pilots will receive training at a US army base in Germany as Ukraine's counteroffensive rages. Ukraine's centralized military command system, a relic of Soviet military doctrine, will deny F-16 squadrons	OPP: Predominantly, Ukraine's air force currently consists of outdated Soviet-era MiG-29 Fulcrums and Su-27 Flankers, yet Ukraine faces a shortage of air support and an inability to bypass Russian radar systems and anti-aircraft missiles. Hence, F-16s do more than resupply Ukraine's dwindling Air Force—they may also help Ukraine establish

their much-needed tactical flexibility. Russia's dense thicket of anti-aircraft S-400 missiles, coupled with its vast air force, renders null any Ukrainian hopes of air superiority, even with F-16s; and given their high maintenance, fueling, and technical costs, the price likely exceeds the benefit. Russian radar systems will detect high-flying F-16s and the relatively flat terrain of southeastern Ukraine makes low-flying F-16s easy targets for handheld SAMs. Ukraine's short, Soviet-era, gravelly runways are horrible candidates for F-16s and their large air intakes. F-16s may also further aggravate the Kremlin and prompt Russian strikes against Ukrainian airstrips.

air superiority, which would greatly aid ground operations and facilitate intelligence gathering. That aid is much-needed: leaked American intelligence estimates that Ukraine has lost 60 of its 145 planes and 32 of its 139 helicopters. Further, Ukraine's fleet is largely Soviet-made and hence needs Russian-made spare parts for repairs; those supplies are now sparse. F-16s offer military upside: their long-range missile capabilities allow targeted strikes against Russian positions from within Ukraine. Providing F-16s to Ukraine reinvigorates Ukrainian morale, reaffirms the US' commitment to Ukraine, and bolsters Ukraine's post-war deterrence abilities.

*December 2023*

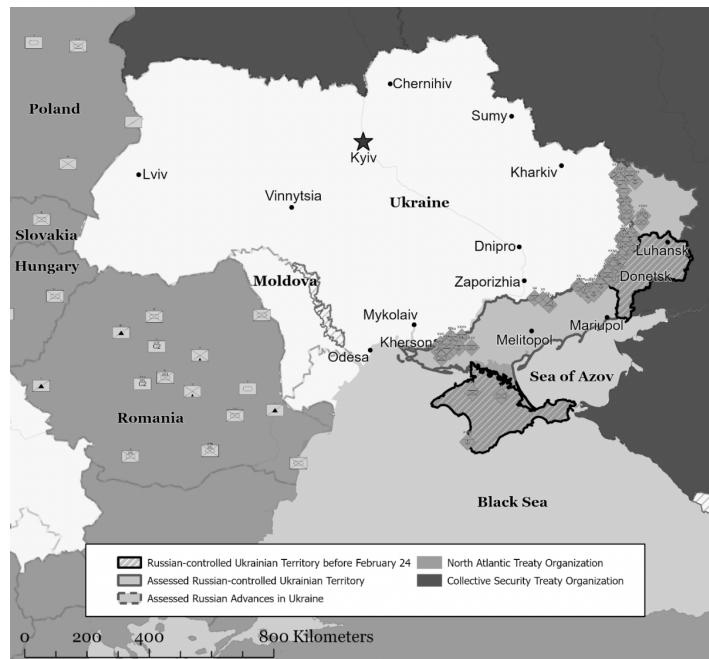
- Funding Difficulties: The US Congress is holding up \$60B in aid. Far-right Republicans are demanding stiff immigration reform as a condition for Biden's aid package to pass. 61% of Americans say aid to Ukraine should have limits. The counteroffensive's failure hurts Biden's pitch. Speaker Mike Johnson will likely lose his position if he uses Democratic votes to authorize aid for Ukraine. Biden's approval rating (38%) is dismal. Plus, the US already has its hands full with Ukraine.
  - EU: Hungary vetoed a \$52B EU aid package to Ukraine. However, the EU opened accession negotiations with Ukraine, a symbolic victory for Ukraine (Hungary abstained from the vote).
- Manpower Difficulties: Front-line forces are exhausted; most have received just a two-week holiday since February 2022. Zelenskyy is mulling a mass mobilization of 500,000 new forces. Currently, Ukraine is making large-scale use of kamikaze drones. Morale is slipping since the counteroffensive's failure.
  - TDF: Ukraine is increasingly relying on the all-volunteer veteran-staffed Territorial Defense Forces (TDF) as under-trained UAF brigades have experienced higher casualty rates. TDF personnel are losing momentum and energy; poorly-trained recruits/conscripts may fill the void.
  - NCOs: Prior to the war, Ukraine did not have a fully developed professional noncommissioned officer (NCO) corps; NCOs fill leadership positions and execute military operations. The UAF's lack of NCOs means higher-level command staff often lead tactical operations; this is slow, centralized, and inefficient.
  - Dnipro River: The offensive at the Dnipro River has been near-suicidal: the river banks from which UAF begin their attacks are masses of mud and splintered trees.

Russian airstrikes and machine-gun fire decimate Ukrainian platoons before they cross the River.

- Weaponry Difficulties: (1) New conscripts lack training and experience with using advanced Western-supplied weapons. (2) Ukraine has burned through almost all of its Soviet/Russian ammunition; now, Ukraine depends on Western ammunition stockpiles. (3) Ukraine's domestic defense production industry is under-developed and has been targeted by the Russian Air Force.
- Russia: Putin may believe he can outlast Ukraine, especially with support from the West on its last legs. Putin continues to use pseudo-historical appeals to justify his invasion of Ukraine.
  - Mobilization: On December 1, 2023, Putin's decree called for a 15% increase in Russian troop size.
  - Finland/Sweden: Russia is forming the Leningrad Military District (LMD) and Moscow Military District (MMD), nominally to prepare for future wars with NATO.
    - If Russia conquered Ukraine, then Russia can station forces from the Black Sea to the Arctic Ocean along NATO's external perimeter.
  - Negotiations? Since the counteroffensive, Putin has repeatedly emphasized that his original aims—the complete acquisition of Ukraine proper—remain unchanged. Zelenskyy says Russia won't negotiate in good faith; analysts agree. Putin views compromise as weak: force is the only currency Putin trades in, and he will stop (potentially) at nothing to impose his will on Ukraine.
- The Price of a Russian Victory: A victorious Russia would emerge battle-hardened and combat-ready. Russian victory would jeopardize NATO's regional security; for the first time since the end of the Cold War, Russia would represent a real conventional threat to NATO states in the Baltics, Caucasus, and Scandinavia. Russia could station the 18th Combined Arms Army, the 25th Combined Arms Army, and the 8th Guards Combined Arms Army on the borders of Poland, Hungary, Slovakia, and Romania. S-300, S-400, and S-500 long range anti-air and anti-missile defense systems would protect Russian forces and offer a shield for aggression.
- Putin's Grasp on Power: NGO polling shows Putin's approval rating around 80%.
  - Prigozhin: Since Prigozhin's mutiny in June, Putin has re-established control in Moscow. He purged General Sergey Surovikin, a Prigozhin ally, from his command post. He then forced Wagner forces to join Russia's Ministry of Defense. He then (likely) ordered Prigozhin's death via the August plane crash. Kremlin-critical Russian mil-bloggers have been punished.
  - Patronage: Putin's brand of authoritarianism is highly personalist. Putin loyalists fill key positions in the military, civil bureaucracy, and private commerce. Putin's patronage networks permeate senior government officials, military top brass,

oligarchs, regional bosses, leading academics and media representatives. Each has selfish incentives to see Putin—the center of that vast system—stay in power.

- **Elite-Based Rule**: Putin needs the backing of the military and security apparatus to remain in power; for this, Putin must protect senior Russian elites from (i) external enemies, (ii) the Russian people, and (iii) from other Russian elites. Sanctions accelerate intra-elite struggles (especially because sanctions intensify intra-national disputes over lucrative Russian assets). The Prigozhin mutiny is case in point.
- **Sanctions?**
  - **Targeted Sanctions**: Elites have been hit directly by asset freezes and travel bans; however, many oligarchs have purchased EU citizenship through Cyprus.
  - **Export Controls**: Russia benefits from sanctions-evading supply chains which import semiconductors, foreign-made electronics, and unmanned aerial vehicles through former Soviet states and China. Capital controls have limited capital flight. Russia's central bank has successfully propped up the value of the ruble. High commodities prices have kept Russia's current account afloat.
  - **Oil/Gas Sanctions**: Russia has pivoted to selling to Asia (e.g., China, India, and also Brazil). The price cap (\$60/barrel) appears to be working: Ural crude prices have fallen sharply since February 2023.



## Russia

### History

- Following the Russian Revolution and the Bolshevik Red Army's victory in the bloody Russian Civil War, Vladimir Lenin rose to power within the newly-formed Soviet Union; following Lenin's death in 1924, Joseph Stalin became General Secretary, and thus the de facto dictator of the Soviet Union.
- While Lenin's "New Economic Policy" had seen the partial emergence of free-market economic principles, Stalin pursued heavy industrialization and collectivization—and while his efforts resulted in substantial economic growth, they also created an enormous humanitarian crisis, as millions died due to famine.
- Stalin imposed a brutally totalitarian rule, and, as he grew increasingly paranoid of political opponents, cracked down relentlessly on those opposed, even in the *slightest*,<sup>43</sup> to his rule. The "Great Purge," or Great Terror, saw the executions of hundreds of thousands within the Soviet Union and the use of secret police forces, like the NKVD<sup>44</sup> and KGB, to identify and exterminate suspected revolutionaries or enemies of the state.
- Under subsequent Soviet leaders, different courses of domestic and foreign policy were pursued, but as the Cold War neared its end towards the end of the 20<sup>th</sup> century, the Soviet Union's economic and political grasp on power began to decline precipitously. Mikhail Gorbachev became leader of the Soviet Union in 1985, and pursued a variety of foreign policy reforms, such as signing nuclear non-proliferation treaties with the US under Reagan. Domestically, he implemented significant reforms, such as *glasnost*, which drastically expanded free speech rights within the Soviet Union, and *perestroika*, which decentralized economic decision-making and incorporated a variety of free-market principles into the Soviet economy.
- In 1989, the Berlin Wall was torn down, signifying the beginning of German reunification. Owing to a variety of internal and external factors, the Soviet Union collapsed in 1991; this was driven, in large part, by the rise of ethnic separatism within Soviet republics, which increasingly resented the repressive control enforced upon them by the Soviets and desired sovereign independence, but was also driven, simultaneously, by economic stagnation and political fragmentation within the USSR. Following the dissolution of the Soviet Union, Russia's former glory as a global superpower disappeared: within just a few weeks, Russia lost almost half of its population and nearly a third of its territory. The process of dissolution plunged Russia into a deep, years-long recession. This was compounded by the process of privatizing the roughly forty-five thousand state-owned enterprises that had existed under the communist regime of the Soviet Union. While the Russian government under President Boris Yeltsin sought to

---

<sup>43</sup> For instance, Stalin is rumored to have had members of the police monitor the crowds during his public speeches and identify who was first to stop applauding, so he could have them killed.

<sup>44</sup> Stalin was, in fact, so paranoid and inconsistent as a dictator that after he ordered the NKVD, during the 1930s, to carry out mass killings of suspected enemies or traitors, he subsequently reversed his stance and ordered the execution of the leaders of the NKVD.

democratize control over these powerful and economically influential SOEs through a system of voucher privatization, most control of these companies fell into a small number of hands—powerful businessmen and oil tycoons with vast influence over the Russian banking sector, petroleum industry, and political system; this group of “New Russians,” many of whom now form the well-known base of Russian oligarchs, capitalized upon the chaotic transition to a mixed-market economy for personal profit.

### Rise of Vladimir Putin

- At the time of the Soviet Union’s collapse, Vladimir Putin was working for the KGB—the intelligence and espionage agency of the Soviet Union—where he developed an admiration for the strength, power, and glory of the Soviet Union. Post-1991, Putin continued his work in the Russian intelligence community and eventually rose to be the head of the FSB, the counter-intelligence/counter-terrorism successor to the KGB.
- Russia’s first post-Soviet leader, President Boris Yeltsin, was widely disliked: abroad, he established cozy relations with the US, and did too little to mitigate the economic crisis at home.<sup>45</sup> By late the middle of 1999, Yeltsin’s coalition government was politically weak, and in the midst of a series of political sackings, Putin was appointed Prime Minister by the State Duma in August. Subsequently, Putin developed a strong, militaristic stance against Chechen separatists as the Second Chechen War intensified; this law-and-order image boosted Putin’s political reputation within Russia. When Yeltsin unexpectedly resigned on the eve of January 2000, Putin assumed the transitory role of Russian President before new elections could be held; Putin won the March 2000 elections with an absolute majority—53%—of votes.
- As Putin ascended to power, he established an implicit *quid pro quo* with Russian oligarchs: so long as oligarchs complied with his demands and reified his power, Putin would, predominantly, allow oligarchs to retain their wealth and power. In cases, however, where Putin perceived oligarchs to be a threat to his power, he established an unwavering willingness to turn against them. For instance, when Mikhail Khodorkovsky, a billionaire Russian oligarch and head of the globally-successful Yukos Oil Company, started a pro-democracy/civil rights movement known as “Open Russia” in 2001, Putin began a covert effort to subvert Khodorkovsky’s power by manipulating Yukos’ tax and legal obligations; subsequently, Russia’s Putin-allied justice system announced a series of trumped-up charges against Khodorkovsky, resulting in his exile from the country.
- As an interesting trend, Putin’s early political popularity—on average—was consistently improved by major national security crises and military conflicts. Putin’s vicious crackdown on Muslims in Chechnya, for instance, and subsequent stabilization of the region was instrumental in solidifying his status as a viable, national political figure. Subsequently, when an Islamist separatist movement staged a mass hostage crisis at a

---

<sup>45</sup> Yeltsin’s own Vice President accused Yeltsin’s economic policies of constituting “economic genocide” based on their failure to stimulate growth after years of continued stagnation.

Russian theater in October 2002, Putin's approval rating nearly reached 80% after most of the hostages were rescued safely. Similarly, after the 2004 Beslan school siege, in which terrorists took hundreds of students and teachers at a Russian school hostage, Putin used the ensuing terror and panic as cover to further consolidate power, such as by making several positions that had formerly been filled through elections instead be chosen and nominated by the executive; the Russian government also passed a series of strict anti-terror laws, which increased the power and discretion afforded to law enforcement, and cracked down on foreign media organizations.

- Putin continued to crack down on independent and non-government-sponsored media; for instance, in 2006, an independent Russian journalist, Anna Politkovskaya, was killed under mysterious circumstances, and many Western states accused Russia of ordering her murder. Nonetheless, Putin's United Russia continued to surge in popularity. In 2008, Putin became Prime Minister, as the Russian Constitution barred him from running for a third consecutive term; however, in the last several days before he left the Presidency, he subtly re-aligned how many executive, bureaucratic agencies within Russia worked, such that they reported to the PM and not to the President.
- Anti-Putin sentiment festered in Russia, however, particularly after elections in 2011 that were widely disputed as rigged and fraudulent. Pussy Riot's illegal performance that same year inside a Russian orthodox cathedral was widely symbolic of opposition to Putin within Russia, but counter-protests soon flooded the streets in support of Putin.

### Navalny

- In his early years as President, Putin consolidated power by bringing the media under state control, rigging elections by manipulating who was allowed to run for office, and weeding out oligarchs opposed to his power, like by arresting Mikhail Khodorkovsky and Boris Berezovsky on trumped-up charges of embezzlement and playing a role in the killing of Nikolay Glushkov. Under Putin, however, corruption flourished within Russia: an estimated \$427 billion was lost to corruption between 2000 and 2008, the first period of Russia's contemporary history during which Putin served as President.
- In 2006, Alexi Navalny, a Russian individual critical of the Kremlin, began a blog dedicated to exposing Putin's corruption. He published information and leaked documents to prove how widespread corruption was within the Russian government and circumvented state media restrictions to spread awareness about the issue.
- In 2011, Putin's party, United Russia, won major elections due to fraud and rigging, which prompted a wave of protests to sweep across the country. Navalny played a large role in leading and organizing these protests, and used the platform he gained as figurehead of the anti-Putin movement to speak out against corruption. Thousands of protesters were arrested and many of the leaders were jailed, secretly killed by the Kremlin, or forced into exile.

- Two years later, in 2013, Navalny declared his campaign to be the mayor of Moscow, Russia's capital city. State-run television outlets didn't give him any airtime, so he relied on other platforms, like social media, to get the word out about his campaign. Shortly before the election, he was arrested on false charges of embezzlement, which prompted significant pushback from many Russians dissatisfied with the Kremlin's distaste for open, democratic dialogue. Navalny was released after posting bail, and in the interim period, he lost the election, yet finished in an impressive second place behind the Kremlin-endorsed candidate, Sergey Sobyanin.
- In the following years, Navalny set up a YouTube channel to expose the hypocrisy, violence, and fraudulence of the Russian government and its figurehead, Putin. His videos were viewed tens of millions of times, and he became the most recognized, supported figure of the Russian opposition movement. In 2016, Navalny announced his candidacy for President of Russia. However, he was subsequently barred from running for office due to his past embezzlement charges, despite the European Court of Human Rights taking Navalny's side during the appeals process. Navalny re-applied for status as a candidate for the Russian Presidency in December of 2017 in his bid to seize power from Putin, but was rejected once again.
- The following year, Navalny adopted and published a new strategy for limiting the Kremlin's power known as "smart voting." The way that Putin rigs elections isn't by outright disallowing opposition candidates from running, but rather by splintering the opposition vote between many different candidates. Navalny advocated for a system of "smart voting" whereby voters dissatisfied with Putin voted as a monolith for just a single opposition candidate, thereby aiming to limit the relative voting power of United Russia. This represented a serious threat to Putin's chokehold on political power, so in 2020, Putin is credibly rumored to have ordered the assassination of Navalny.
  - While aboard a flight, Navalny became seriously ill, and was later admitted to a hospital before being transferred out of Russia: he had been poisoned with novichok, a toxic chemical developed by Soviet biologists during the Cold War.
  - After a painful recovery, Navalny tricked the secret agent responsible for his poisoning into explaining, in great detail, how the attack occurred; Navalny recorded the exchange and subsequently posted it online.
- In January of 2021, Navalny returned to Russia, where he was immediately arrested and imprisoned. During the trial proceedings, Navalny's team released a video revealing one of Putin's secret getaway "palaces," inspiring wide-reaching protests across Russia.

### *North Korea*

- In Moscow, traveling by bulletproof train, Kim Jong-un met Putin at the Vostochny Cosmodrome in Uglegorsk; there, North Korea's Supreme Leader pledged "full and unconditional support" for Russia. Putin likely sought munitions from North Korea—in particular, ammunition stockpiles and rockets compatible with Soviet-era weapons. Since

1953, both North and South Korea have aggressively militarized; both Pyongyang and Seoul remain trapped in the norms of the Cold War, where armed conflict is always possible.

- In that context, it's no wonder that Moscow and Washington are increasingly turning to the Korean Peninsula for military technology; last spring, for instance, South Korean President Yoon Suk Yeol agreed to supply artillery shells to the US. Russia's (unconfirmed) arms deal with North Korea could impact the Ukrainian war effort: the Stockholm International Peace Research Institute estimates that North Korea houses 10,000 artillery guns (more than all NATO forces combined) and North Korea's military is rumored to have over 100 arms factories employing thousands. Russia might offer S-300/S-400 anti-aircraft missile defense systems (or upgraded Sukhoi fighter jets) to North Korea.

### *Prigozhin*

- **Prigozhin's Start:** Yevgeny Prigozhin (pronounced *pree-goh-shin*) has led a shadowy mercenary force, known as the Wagner Group, since 2014. Prigozhin was born in the Soviet Union and later spent time in prison for robbery and fraud. But after the Soviet Union collapsed in 1991, he opened a popular chain of restaurants throughout Russia—and eventually grew so successful that the Russian government began catering primarily from Prigozhin's restaurants. In time, Prigozhin developed close ties to Vladimir Putin, the soon-to-be Russian President and a former KGB operative. Those ties strengthened over time, and in 2016, Prigozhin co-led misinformation campaigns during the US election and Brexit vote; he was later indicted *in absentia* by the US (following the Mueller report) for election interference.
- **Early Militarism:** But Prigozhin's most significant role wasn't in catering or misinformation, but rather in private military contracting. In 2014, he covertly founded the Wagner Group, a privately-run paramilitary force with close financial and political linkages to the Kremlin, Russian Army, and Putin himself. The Wagner Group saw combat in Crimea, Syria, Libya, Mozambique, the Central African Republic, and as many as a half-dozen other countries. Dmitry Utkin, a battle-hardened veteran of Russia's wars against Chechen separatists, is rumored to have led Wagner's early operations.
- What role has the Wagner Group played in the Russo–Ukraine war?
  - **Secrecy:** For years, Russia denied the very existence of the Wagner Group, only acknowledging the Group in the past year. But the Wagner Group has enjoyed an intimate relationship with the Russian defense sector. Exhaustive investigations of the Wagner Group—which, until recently, went to great lengths to hide itself from the public view—have shown that Wagner soldiers receive Russian-manufactured weapons (like Kalashnikov rifles) and fight for Russian military objectives (like capturing gold mines in central Africa from rebel forces).

- **Recruiting:** The size of Wagner’s infantry units remains unknown; Western intelligence analysts estimate that Prigozhin employs around 50,000 mercenaries. About a fifth of Wagner’s ranks draw from skilled, professional soldiers, but Wagner’s primary fighting base is composed of Russian prisoners and criminals, offered freedom in exchange for fighting in the war.
- **Bakhmut:** The Wagner Group led Russia’s charge to capture the Ukrainian city of Bakhmut in a bitter, bloody battle that lasted for months. Why the success? The Wagner Group is unusually brutal in its combat operations, even compared to conventional Russian infantry units; for instance, Wagner soldiers frequently carry out extrajudicial executions, even uploading videos of their war crimes online. Furthermore, Wagner PMCs (private military contractors) have allegedly purchased weapons from North Korea, Turkey, and Mali.
- What frustrations did Prigozhin have with the Russian Army?
  - **Shoigu and Gerasimov:** Sergei Shoigu, Russia’s defense minister, and Valery Gerasimov, Russia’s military chief, have been the primary targets of Prigozhin’s wrath. Prigozhin has accused Russian military elites of incompetence and corruption, and failing to provide Wagner forces with sufficient ammunition. In May, Prigozhin released a video showing dozens of dead bodies, likely Wagner soldiers, while Prigozhin excoriated Russian defense officials for letting his men “die for you to fatten yourselves in your mahogany offices.” More recently, Prigozhin expressed anger at Russia’s attempts to exercise greater control over his Wagner forces (for instance, Russia required Wagner soldiers to sign contracts with Russian defense agencies), causing Prigozhin’s threat to withdraw his forces from Bakhmut the day after Russia’s WWII Victory Day celebrations. Importantly, Prigozhin’s rage never explicitly attacked Putin or the war itself—just Putin’s generals and the manner in which the war was fought.
  - **Intensification:** Prigozhin’s rage reached a harrowing climax on Friday, June 23, when he published a searing video lambasting Russia’s very rationale for the war in Ukraine—castigating the war as a self-profiteering effort by Russia’s wealthy oligarchs to enrich themselves at the expense of poor Russian soldiers. He also accused Russia of deliberately launching airstrikes against Wagner soldiers.
- How did the coup unfold?
  - **The Coup Begins:** Prigozhin went public with his denunciatory accusations around 11am local time on Friday. He continued uploading videos throughout the day, criticizing the war as an “evil borne by the country’s military leadership [that] must be stopped.” Shortly after midnight on Friday, Putin privately agreed that Prigozhin had to be stopped. The FSB, Russia’s main intelligence agency, opened a criminal inquiry into Prigozhin’s treasonous behavior. Concurrently, Russian security agencies swiftly denounced the Wagner Group’s mutiny. But by early Saturday morning, Prigozhin and his forces had captured Rostov-on-Don, a

- city in southern Russia, facing little resistance. Emboldened, Prigozhin declared a march towards Moscow: “There are 25,000 of us and we are going to find out why there is such chaos in the country.” In its “march for justice,” the Wagner Group destroyed at least three Russian aircraft and twelve Russian soldiers.
- **Russia’s Response:** Putin addressed the nation publicly on Saturday morning, calling the mutiny “treason” and analogizing the crisis to the 1917 Bolshevik Revolution. Security services deployed tanks on the streets of Moscow and established a strong counter-insurgency presence throughout southern Russia. Still, Prigozhin’s forces marched through the Voronezh region and into Lipetsk. Prigozhin refused any suggestion that he was staging a coup, even as Putin denounced his movement as such (without ever explicitly naming Prigozhin).
  - **Belarus:** Unexpectedly, Belarusian President Alexander Lukashenko offered to mediate talks with Prigozhin and his Wagner forces; Putin agreed. By Saturday evening, Prigozhin struck a deal with Lukashenko and, indirectly, Putin. Prigozhin agreed to halt his advance towards Moscow (which he announced publicly around 9pm on Saturday), and in return, Russian prosecutors dropped all charges against both him and his Wagner forces. Furthermore, Putin promised that Wagner soldiers would not be prosecuted, but could continue fighting in the war. Per the Kremlin’s spokesperson, the deal was struck “to avoid bloodshed, to avoid internal confrontation, [and] to avoid clashes with unpredictable results.”
  - **Impunity:** Uncharacteristically, Putin has not issued a wave of mass arrests. Instead, Putin has given public speeches decrying the mutiny and applauding Russian loyalists, and—in a truly shocking move betraying his long standing fear of Covid—waded into a crowd in Dagestan, kissing a young woman on the forehead and taking several selfies with adoring fans. Why the lack of action? First, a crackdown would expose fractures amongst Russia’s military elites and further shake faith in Putin’s strongman regime. Second, Putin may fear that empowering an “enforcer” (like a RAF general or FSB operative) to carry out his anti-Prigozhin crusade may backfire if that enforcer, flush with power, grows too ambitious and turns on Putin. Third, Prigozhin has ties to other Russian elites—including (likely arrested) General Sergey Surovikin—which may deter Putin from cracking down. Still, ultranationalist milbloggers remain affixed with Prigozhin’s figure, irking Putin and Russian security officials (who evidently view the milblogging community as a politically important constituency to assuage) alike.
  - **Prigozhin Dies:** The Kremlin released a statement confirming that Yevgeny Prigozhin (and thirty-four high-ranking Wagner commanders) met with Russian President Vladimir Putin just days after Prigozhin’s quasi-coup and march on Moscow. Prigozhin is rumored to be living in Saint Petersburg. His Wagner forces are being transferred to Russian control. Outright liquidation seems vanishingly unlikely: Wagner mercenaries remain deployed throughout Syria, Libya, Mozambique, Mali, the CAR, Sudan, and the DRC. Its vast network of shell companies, commodity-extraction firms, disinformation campaigns,

and corporate intermediaries greatly serves the Kremlin's geopolitical interests, especially since Wagner forces maintain control over lucrative gold mines (in Mali and the Ndassima gold mine in the CAR), timber logging (in the Central African Republic), and oil fields (in Syria). Russia's history with failed mercenaries—like Dmitry Utkin's former Slavonic Corps which fought in Syria in 2013—demonstrates that Russia is more willing to compromise than crush. Russian General Sergey Surovikin, rumored to have had advanced knowledge of Prigozhin's plot, remains out of the public eye and may be in detention.

## **European Union**

### *EU Institutions*

- **European Council**

- *Structure*

- Acts as the EU's **collective presidency**. Meets ~4 times annually
    - **National leaders** (heads of state/heads of government) represent each Member State
    - President of the European Council is selected by the other representatives in the Council

- *Power*

- **Sets the EU's policy agenda**, amends the EU treaties as needed, and resolves policy disputes, but **lacks formal legislative power**
    - **Appoints the President of the European Commission and the President of the European Central Bank**
    - Confirms nominated members of the European Commission

- **European Commission**

- *Structure*

- **Each nation** is entitled to **one seat** in the European Commission; each Commissioner is responsible for one particular policy area (e.g. agriculture, fishing, etc). The **President of the European Commission** has the power to delegate policy areas to Commissioners within the EC.
    - The European Council appoints the President of the European Commission, who then reviews a list of approved candidates from each nation.
    - The European Parliament and European Council must then approve these nominations through a “qualified majority.” Commissioners **represent EU interests**, not national interests.

- *Power*

- Acts as the *de facto* executive body of the EU. **Proposes legislation** and **monitors the enforcement of binding EU legislation** within national governments.

- The European Commission also **designs/plans the EU's budget**, which is **subject to approval** by the Council of the European Union and the European Parliament.
- **European Parliament**
  - *Structure*
    - Members of the European Parliament (MEPs) are **directly elected** every five years within each EU Member State on the basis of proportional representation.
    - Nations are given power in the European Parliament in **rough proportion to their population**. Once elected, MEPs organize themselves by **political affiliation**, not by nationality.
  - *Power*
    - The European Parliament does **not initiate legislation**; all legislation must first come from the European Commission (EC). However, the European Parliament has joint power with the Council of the EU to **vote on proposed legislation**.
    - The European Parliament **approves nominations** for the European Commission (including the President of the Commission).
- **Council of the European Union**
  - *Structure*
    - **National ministers** represent governments in the Council of the EU. Different ministers are responsible for evaluating different laws based on the subject area involved (e.g. finance ministers might be involved when debating proposed legislation pertaining to the economy).
  - *Power*
    - The Council of the EU is the “upper house” of the EU’s legislative body, and **passes laws** in conjunction with the **European Parliament**.
- **Court of Justice of the European Union**
  - The Court of Justice of the European Union (CJEU) **interprets EU law** to make sure it is applied in the same way in all EU countries, and settles legal disputes between national governments and EU institutions. It can also, in certain circumstances, be used by individuals, companies or organizations to **take action against an EU institution**, if they feel it has **infringed upon their rights**.
  - The CJEU consists of three distinct judicial entities:
    - **1) European Court of Justice**
      - The Court ensures that EU law is followed, and that the Treaties are correctly interpreted and applied: it reviews the legality of the acts of the EU institutions, ensures that EU countries comply with their obligations under the Treaties, and interprets EU law at the request of national courts.

- 2) **General Court**
  - Acts as the initial “trial court” for legal disputes within the EU. Decisions can be appealed to the ECJ.
- 3) **Civil Service Tribunal**
  - Resolves legal disputes between the EU and members of the European civil service. In rare and exceptional cases, the ECJ can hear these cases, too.
- **European Central Bank**
  - \*\*Of the 28 EU members, only 19 are in the eurozone. In practice, only those 19 members provide input to ECB leadership. The UK was never in the eurozone, and instead uses the GBP (pound sterling).
  - *Structure*
    - All members are appointed by the European Council by qualified majority for a non-renewable eight-year term.
  - *Power*
    - The primary objective of the ECB is to **maintain price stability and keep inflation low.**
    - Members of the ECB’s Executive Board are obligated to act in the **best interests of the Eurozone** as a whole, not for the benefit of any particular Member State or region.
    - Other EU institutions and the national governments of the Member States are bound by treaty to **respect the independence of the ECB.**

#### *EU Competences*

- The EU has **competence**, or authority, to pass binding legislation if three criteria are met:
  - 1) **Conferral**—the EU has only that authority conferred upon it by the EU treaties, which have been ratified by all member countries.
  - 2) **Proportionality**—the EU action cannot exceed what is necessary to achieve the objectives of the treaties.
  - 3) **Subsidiarity**—in areas where either the EU or national governments can act, the EU may intervene only if it can act more effectively.
- The EU has **exclusive competence** over a few realms. This means that the EU alone is able to pass laws and member states are *not* allowed:
  - **Customs union**
  - **Competition rules** for the single market
  - **Monetary policy** for the eurozone countries
  - **Trade and international agreements\*\***
    - \*\*Only if the trade/agreement in question affects the entirety of the EU and must be negotiated and ratified by the EU Commission, rather than individual member states.
  - Marine plants and animals regulated by the **common fisheries policy**

- The EU has **shared competence** with national governments in a few areas. This means that both the EU and member countries are able to pass laws, but member countries can only do so if the EU has not already proposed laws or has decided that it will not:
  - Single market; economic, social and territorial cohesion; consumer protection; trans-European networks and transport; energy; research and space travel/exploration; agriculture, fisheries, environment.
  - Employment and social affairs within the confines of the TFEU (Treaty on the Functioning of the European Union), which aims to “promote employment, improve living and working conditions, provide adequate social protection and combat social exclusion;” development cooperation and humanitarian aid.
  - Justice and fundamental rights; migration and home affairs; public health (for the aspects defined in Article 168, TFEU).
- In certain areas, the EU has **supporting competence**, which means that the EU can only support, coordinate or complement the actions of member countries, but lacks the power to pass laws and may not interfere with member countries’ ability to do so: public health (Cf EUDC 2021 Open Final OO/CG), industry, culture, tourism, education and training, youth and sport, civil protection, and administrative cooperation.

#### *EU Voting*

- **Qualified majority voting** requires 55% of votes from representatives and 65% of votes from the EU electorate.
- **Unanimity voting** requires complete agreement amongst representatives. Within the European Commission, this is generally limited to a few types of matters:
  - **Common foreign and security policy** (with the exception of certain clearly defined cases which require qualified majority, e.g. appointment of a special representative).
    - The EU’s **Common Security and Defense Policy** (CSDP) provides the European Union with an operational capacity to **deploy civilian and military missions** and operations abroad. The range of tasks is set out in the EU Treaties, ranging from **conflict prevention** and **peace-keeping**, crisis management, joint disarmament operations, and military advice and assistance tasks to humanitarian and rescue and post-conflict stabilization tasks. The first EU missions were launched in 2003, including the **EU’s policing mission in Bosnia and Herzegovina** and a **military operation in North Macedonia**. Since then, the EU has launched and run **36 operations and missions on three continents**. As of today, there are 17 ongoing CSDP missions and operations, of which 11 are civilian and 6 military.
    - Citizenship (the granting of new rights to EU citizens)
    - **EU membership**

- Harmonization of national legislation on indirect taxation, including the EU's VAT (value added tax).
- EU finances (own resources, the multiannual financial framework).
- certain provisions in the field of justice and home affairs (the European prosecutor, family law, operational police cooperation).
- Harmonization of national legislation in the field of social security and social protection.

### *EU Enlargement*

- In order for a country to become part of the EU, the same must meet all the “Copenhagen Criteria.” The main criteria are the **free-market economy**, a **stable democracy** and the **rule of law**, and the **acceptance of all EU legislation**, including the **euro**. Political criteria are the most important: these include having universal suffrage, free elections and a free press, an independent judiciary, and protections for minorities. Applicant nations must join and ratify the European Convention on Human Rights.
- The regular procedure for EU membership consists of three stages:
  - 1) The first stage is when a country is granted the **status of an official candidate** for membership. Currently, this includes Albania, North Macedonia, Montenegro, Turkey, and Serbia.
    - **Albania** applied for EU membership in April 2009 and received the candidate status in June 2014.
    - **North Macedonia** was declared a candidate country in December 2005. In 2015/2016, the EU Commission’s recommendation to open ascension negotiations was made conditional on the continued implementation of the **Pržino agreement** (negotiated deal between the EU and North Macedonia, which called for opposition parties like SDSM to be allowed to participate in future elections, for a caretaker government to be implemented followed by a round of new general elections, and for the corrupt PM Nikola Gruevski to step down).
    - **Montenegro** submitted the application for EU membership in December 2008, and was granted in December 2010.
    - **Turkey** was declared a candidate country in December 1999. Negotiation talks were opened in October 2005. Technical discussions are on-going in areas such as water, waste, nature protection or horizontal legislation.
    - **Serbia** applied for the candidate country status in December 2009; this was granted in March 2012.
  - 2) The second stage is when membership negotiations between the EU and the candidate country start, which is a process that **includes the adoption of EU law into national law** (which is what drags the ascension process out for years upon years) and the preparation for the implementation of this law in judicial,

administrative, economic areas, as well as other reforms. **All current EU member states must agree to the treaty that permits new members to join.**

- 3) The third stage is when the candidate country has met all accession criteria and is ready to become part of the EU.
- EU expansionism in the Balkans
  - The **Stabilization and Association Process** (SAP) is the European Union's policy towards the Western Balkans, established with the aim of eventual EU membership. Western Balkan countries are involved in a progressive partnership with a view of **stabilizing the region and establishing a free-trade area**. The SAP sets out common political and economic goals although progress evaluation is based on countries' own merits.
  - Since 2000, the EU has been granting **autonomous trade preferences** to all the Western Balkans. These preferences, which were renewed at the end of 2020, allow **nearly all exports to enter the EU without customs duties or limits on quantities**. Only sugar, wine, baby beef and certain fisheries products enter the EU under preferential tariff quotas.
  - Since the launch of the Stabilization and Association Process, the EU has **progressively concluded bilateral FTAs**, referred to as "**Stabilization and Association Agreements**" (SAAs) with each of the Western Balkan partners: **Albania** (2009), **North Macedonia** (2004), **Montenegro** (2010), **Serbia** (2013), **Bosnia and Herzegovina** (2015) and **Kosovo** (2016).
  - The SAAs are tools which provide for the **economic development and political stabilization** of the countries in the region, and for the creation of a close, long-term association between the EU and the Western Balkans. In effect, the SAAs constitute the **legal instrument for alignment to the EU acquis** (accumulated legislation, legal acts and court decisions that constitute the body of European Union law) and progressive integration into the EU market.

### **Niger**

- **Niger's Putsch:** Niger, a multi-ethnic (e.g., Hausa, Zarma, and Tuareg ethnic groups) Muslim-majority Francophone country, was colonized by the French in the late 1890s but received independence in 1960. Subsequently, Hamani Diori became Niger's President; under his rule, corruption flourished, single-party dominance went unchallenged, and Niger–France relations remained close. In 1974—Niger's first coup—military lieutenant Seyni Kountche toppled Diori's regime, dissolved Niger's parliament, suspended the constitution, and declared himself President. When Kountche died in 1987, Ali Saibou became Niger's next President until mass protests led by trade unions and student activists in response to the Tuareg's armed rebellion in northern Niger forced Saibou to permit multiparty elections in 1993; that year, Mahamane Ousmane was democratically elected as President. After years of political gridlock and socioeconomic instability, in

1996—Niger’s second coup—Ousmane was deposed by Lieutenant Ibrahim Bare Mainassara, who held elections widely viewed as flawed. In 1999—Niger’s third coup—Mainassara was assassinated by dissident soldiers, paving the way for the presidential guard commander Daouda Malam Wanke to assume power. Democratic elections in 2000 ushered Mamadou Tandja into power; when Tandja sought to uproot the national constitution and run for an illegal third presidential term in 2010, Salou Djibo’s military forces intervened—Niger’s fourth coup—and declared a swift return to democracy. Mahamadou Issoufou won the subsequent presidential election and ruled democratically until his stepping down in 2021, when Mohamed Bazoum, a Sunni Muslim and Arab with a long history in Nigerien ministries, won the December 2020 presidential election; two days before Bazoum’s inauguration, a disgruntled military faction launched a failed coup attempt.

- On Wednesday, July 26, Omar Tchiani—head of Niger’s Presidential Guard—launched a coup d’état against Bazoum’s presidential administration. Military personnel locked Bazoum in the presidential palace in Niamey, dispersed thousands of protesters with live gunfire, and barricaded the palace with military vehicles. Hopes of a fractured military were quashed that night when Amadou Abdramane, an air force colonel-major, went on national TV (Télé Sahel) alongside nine leading military generals from each branch of Niger’s security force. Abdou Sidikou Issa, chief of staff of Niger’s armed forces, also announced his support for the coup (known as the National Council for the Safeguard of the Homeland or CNSP) to “avoid a deadly confrontation.” Many suspect the CNSP has ties to the Wagner Group; pro-coup protesters have frequently waved the Russian flag in public demonstrations and Yevgeny Prigozhin has publicly lauded the putsch over Telegram. Self-appointed head Omar Tchiani (pronounced “chee-on-ee”) justified the coup as necessary to avoid Niger’s “gradual and inevitable demise” caused by “the deteriorating security situation and bad social and economic governance;” two in every five people in the country live in extreme poverty (less than \$2.15 USD per day).
- Since 2015, Niger has fought a low-intensity war with Islamist and jihadist groups linked to IS and al-Qaeda, namely Nusrat al-Islam, the Islamic State in the Greater Sahara (IS-GS), Boko Haram, and the Islamic State’s West Africa Province (ISWAP); counterjihadist efforts have received military backing from the US (which stations approximately 1,100 troops in a base in Agadez) and France (which had heavily intervened in the Sahel-wide fight against terrorism via Operation Barkhane). However, Omar Tchiani accused the French of plotting a military invasion of Niger. French leadership denies such claims. Tchiani has also leaned into the M62 movement, which (since August 2022) has fiercely condemned Bazoum’s regime for unbearable living costs, woefully inadequate governance, and the continuing presence of French military personnel.
- Little is known about Omar Tchiani. He is a longtime military member with extensive involvement in Niger’s counterterrorist operations: he was allegedly the first officer

on-site when UTA Flight 772 crashed due to a suitcase bomb, spent years fighting trafficking in Niger's deserts, and developed close ties with former President Mahamadou Issoufou. Many suspect he led the coup because—per unsubstantiated rumors—Bazoum was considering firing Tchiani either (1) because of his age (62), (2) because Bazoum wanted to distance himself from former President Issoufou, (3) because Bazoum had already pushed other military generals out of power, including the army chief of staff, and (4) because Tchiani had possibly grown unpopular within the presidential guard corps.

- ECOWAS (Benin, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea-Bissau, Liberia, Nigeria, Senegal, Sierra Leone, and Togo) has expedited political, economic, and military integration in West Africa; Mali, Guinea, and Burkina Faso have had their membership suspended since military coups deposed their democratic governments—and Mali, in particular, has turned ever-more towards Russian-allied mercenaries and expelled UN peacekeepers. ECOWAS convened an emergency summit where West African leaders denounced the coup, affirmed Bazoum's rule (who has not yet resigned or publicly stepped down), imposed sweeping sanctions on the military's top brass, froze Nigerien assets held in West African banks and the Central Bank of West African States (BCEAO), instituted a no-fly zone over Nigerian airspace, barred Nigerien state enterprises from issuing a \$51M bond, suspended all commercial ties with Niger, and issued a strict ultimatum to Niger: restore constitutional order or ECOWAS will intervene, possibly with military force. France and the EU have suspended diplomatic and development assistance; the US under Antony Blinken is considering cutting \$500M worth of military and security ties. Many fear West Africa and the Sahel region's "coup cascade:" military coups have now taken place from the Red Sea to the Atlantic (Sudan, Chad, Niger, Mali, Burkina Faso, and Guinea). ECOWAS military operations have precedent: 3,000 ECOMOG forces were deployed in Liberia in the 1990s to end Charles Taylor's civil war, ECOMOG personnel entered Sierra Leone in 1997 to recapture Freetown from rebel forces, ECOMOG forces mediated a ceasefire in Guinea-Bissau in 1999, ECOMICCI peacekeepers enforced a ceasefire in the Ivory Coast in 2003, ECOWAS-sponsored AFISMA supported Mali's efforts to fight armed rebel groups in 2013, and ECOWAS' "Operation Restore Democracy" successfully reimplemented democracy in the Gambia in 2017.

## **Ecuador**

- Gang violence has greatly intensified in Ecuador, particularly in coastal port cities like Guayaquil and Esmeraldas and in the infamous Litoral prison, where hundreds have been massacred in the last two years (e.g., on September 28, 2021, 123 prisoners were killed). The causes are diverse: FARC's demobilization in Colombia created a cocaine-smuggling power vacuum in Ecuador which Sinaloa, Jalisco, and the Albanian Mafia entered; an influx of soldiers and first responders after the 2016 earthquake led gangs to spread across the country; the COVID pandemic (and drop in oil prices) exacerbated widespread

poverty and corruption in Quito, the country's capital; IMF-mandated austerity led to mass protests against fuel subsidy cuts in 2019, angering the masses, and a 64% reduction in healthcare spending; President Rafael Correa's decision to end cooperation with the US DEA led to insufficient policing of Ecuadorian waters; and current President Guillermo Lasso struggled to keep gang violence under control and the highest ranks of Lasso's government have been infiltrated by the Albanian Mafia. Major gangs include Choneros (whose leader, Jorge Luis Zambrano, was assassinated in December 2020 sparking a brutal intra-gang power struggle), Lobos, the Latin Kings, and Tiguerones. Recently, Ecuador declared a nationwide state of emergency after Manta's mayor was killed and riots broke out in Ecuadorian prisons.

- Ecuadorian Presidential candidate Fernando Villavicencio was killed on August 9 at 6:20 pm in northern Quito after a campaign rally; six Colombian nationals have since been arrested. Villavicencio, one of eight presidential candidates, was polling in the middle of the field (e.g., one poll that day had Villavicencio at 7.5%) but had been outspoken against corruption organized crime, had explicitly linked cartels/gangs to government officials, and had received credible death threats, including from feared Choneros leader José Adolfo Macías Villamar (alias Fito); Villavicencio's running mate, Andrea González Nader, assumed his candidacy alongside anti-corruption investigative journalist Christian Zurita.
- Crime is rampant in Ecuador, which is geographically sandwiched between Peru and Colombia—the world's narcotics-production hotspots. Since 2016, murders have increased 500% to 22 homicides per 100,000. Prisons, like Litoral, are especially violent, as are areas along the Pacific coast. Graft permeates all levels of the political and military hierarchy; the US revoked security visas from state security forces due to ties with drug traffickers. Mayor Agustín Intriago and provincial candidate Rider Sánchez were both assassinated in open daylight. Extortion networks cripple prospects for economic development. Ecuador's two largest gangs are the Lobos and the Choneros; the Lobos are a breakaway group formed after the assassination of Choneros leader Jorge Luis Zambrano in December 2020.
- Ecuador's incumbent President Guillermo Lasso was elected in April 2021. His administration has since been embroiled in scandal: (a) the 2021 Pandora Papers leak of 11.9 million classified documents by the International Consortium of Investigative Journalists revealed Lasso's illicit foreign bank accounts in tax havens, (b) mass protests by the Confederation of Indigenous Nationalities of Ecuador in June 2022 against Lasso's economic mismanagement and soaring food/gas prices (leading to a failed impeachment vote), and (c) the *El Gran Padrino* corruption report exposed Lasso's underground ties to the Albanian mafia. In May 2023, with a second impeachment vote imminent, Lasso dissolved Ecuador's National Assembly (*muerte cruzada*). Elections are scheduled for August 20. Luisa González, linked to exiled left-wing former Ecuadorian President Rafael Correa, is the presumed frontrunner.

### **El Salvador and Bukele**

- San Salvador's brutal anti-gang crackdown (particularly against MS-13 and 18th Street) has propelled El Salvador's incarceration rate to (recent) record global highs. The crackdown began after 62 people were killed by gangs on March 26, 2022. In response, El Salvador's Parliament declared (and subsequently renewed) a nationwide state of emergency, rolled back constitutional protections for freedom of assembly, suspended rights to legal counsel, greatly increased the time people can be detained before being charged, granted law enforcement sweeping authority to monitor private communications, lengthened sentences for convicted gang members, lowered the age of criminal responsibility from 16 to 12, criminalized gang membership, and arrested 70,000 people—nearly 2% of the country's entire population. Violence has fallen precipitously and President Nayib Bukele now enjoys approval ratings above 85% despite outcry from human rights organizations.

### **NATO**

- **NATO Summit in Vilnius:** On July 11 and 12, NATO leaders convened in Vilnius, Lithuania, to discuss the future of the Russo-Ukrainian War. Members remain split on Ukraine's bid for NATO membership. NATO's history with Ukraine dates back to 1994 when the Budapest Memorandum saw the US, Russia, and Britain agree to respect Ukrainian sovereignty in exchange for Ukraine forfeiting its Soviet-era nuclear weapons. In 2008, Ukraine began the NATO membership application process, receiving a Membership Action Plan, yet progress has been slow. Although NATO's "open door" policy (rooted in Article 10 of NATO's Washington Treaty) permits countries to join, they must have a market economy, functioning democracy, and peaceful civil-military relations. Most importantly, prospective NATO members must not have ongoing territorial disputes. Many Western NATO members—including the US, Germany, and Turkey—believe Ukraine has not yet met the requirements for entry (especially given that Article 5 would force all NATO member states to enter Ukraine's war against Russia if Ukraine became a NATO member before the war's end). Still, at least twenty-four NATO members have expressed support for Ukraine's membership bid.
- **Sweden's NATO Bid:** Sweden's bid for NATO membership has long been stalled by Turkey. Closed-door negotiations prior to the Vilnius Summit saw Ankara's Erdogan agree to support Sweden's application in exchange for F-16 fighter jet sales from the US, which were blocked after Turkey's purchase of S-400 missile systems from Russia in 2017. Turkey has opposed Sweden's application for Stockholm's lax counterterrorism policies and alleged support of Kurdish militias classified as terrorists by Erdogan's Justice and Development Party (AKP). Turkey has long demanded stricter counterterrorism measures from the Riksdag (Sweden's parliament) and is hoping to gain visa-free entry to the EU's Schengen Area.

## **Sudan**

- The country first descended into violence just after independence in 1956, with regional disputes galvanizing the First Sudanese Civil War, which ended in 1972. Just a decade later, violence broke out once again in the Second Sudanese Civil War, ending with the eventual independence of South Sudan in 2011, while Sudanese President Omar al-Bashir's Sudanese Armed Forces (SAF), Sudan's national military, concurrently waged campaigns of genocide in the Darfur region. To quell regional and ethnic conflicts, al-Bashir aligned his military forces with General Hemedti's Janjaweed militia forces (despite their involvement in brutal massacres); as Darfur stabilized, al-Bashir and Hemedti reorganized the extralegal Janjaweed militia into the state-sanctioned Rapid Support Forces (RSF).
- But al-Bashir soon fell out of favor: the popular Sudanese Revolution began with mass street protests in December 2018 against his regime and culminated in a military coup against al-Bashir in April 2019. After the RSF slaughtered hundreds in the June 2019 Khartoum Massacre, international pressure forced the military to share power with a civilian regime via the Transitional Sovereignty Council until elections could be held. An October 2021 military coup, led by SAF General Abdel Fattah al-Burhan, extinguished those hopes for democracy.
- Subsequently, the SAF demanded that the RSF—still operating as a paramilitary force separate from the national army—integrate its forces into the national army; additionally, the SAF hoped to seize the many lucrative gold mines and mineral resources granted by al-Bashir to Hemedti, the RSF's *de facto* commander, and possibly open criminal investigations into Janjaweed's historic atrocities in Darfur. The SAF aimed for a two-year integration; irked, the RSF countered with ten. Tensions brewed throughout 2022, and erupted into outright civil war in April 2023. Since then, Khartoum has descended into outright chaos as the Burhan's SAF and Hemedti's RSF vie for power. The UAE claims to help refugees, but is actually using humanitarian facilities to supply weapons and medical aid to the RSF (while its geostrategic adversary, Mohammed bin Salman's Saudi Arabia, backs the SAF).

## **South Sudan**

- Since 2011, South Sudan has been an independent, sovereign nation dominated by ethnic and sectarian violence. The nation is home to 64 different ethnic tribes: the Dinka tribe represents 35% of the population and the Nuer tribe represents 16% of the population. Tensions between these groups have manifested in intense violence for decades, often over territorial and nomadic disputes.
- In the initially formed democratic government, Salva Kiir of the Dinka tribe and a former revolutionary who'd fought for South Sudan's independence, assumed the presidency. In December 2013, Kiir accused his former Vice President, Riek Machar of the Nuer tribe,

of attempting to seize power through an illegitimate coup d'état. Machar denied these accusations, and abandoned the government to lead the SPLM-IO, an opposition political and militant organization. Fighting broke out between the government-backed Sudan People's Liberation Movement (SPLM) and Machar's SPLM-In-Opposition, triggering a full-fledged civil war.

- The UN deployed peacekeepers through the UN Mission in South Sudan (UNMISS). IGAD, along with the AU, UN, EU, and China, US, UK, and Norway, helped to facilitate peace talks, which ultimately culminated in a "Compromise Peace Agreement," which was signed in August 2015. Under the agreement, Machar was re-appointed Vice President and returned to Juba, the capital of South Sudan. However, when fighting reignited, Kiir replaced Machar with a different member of the opposition, Taban Deng Gai, which resulted in substantial fragmentation within the anti-SPLM movement. As a consequence, infighting between rebel forces grew particularly intense. Additionally, Dinka political factions in Juba splintered support for Kiir; for instance, Paul Malong Awan, a former military general, courted significant support from members of the Dinka ethnic majority. Thus, the conflict became fragmented both within the rebel factions and the government factions.
- In August 2018, another peace deal was struck, which allowed for power sharing between the rival ethnic and socio-political factions. Kiir and Machar formed a tentative political coalition by February of 2020. However, a variety of factors make this peace tentative: (1) Kiir and Machar are still more divided than they are united, and given that they were the primary instigators of the SPLM vs SPLM-IO conflict that originated in 2013 and ended in 2018, it's likely that they could resort to violence again in the future. (2) In the southern parts of South Sudan, Thomas Cirillo is leading the National Salvation Front, an armed insurgency that threatens the fragile peace process that's still ongoing in South Sudan.

## **Ethiopia**

- Throughout most of the 1970s and 1980s, Ethiopia was governed by a brutally repressive, authoritarian dictatorship. After years of fighting, in 1991, a coalition of leftist rebel groups known as the Ethiopian People's Revolutionary Democratic Front ("EPRDF") overthrew the military junta that had previously ruled over the country. For centuries, the northernmost portion of Ethiopia has been home to the Tigrayan people, a minority ethnic group that represents approximately six percent of Ethiopia's population.
- After the overthrow of the Ethiopian dictatorship, a group of Tigrayans, known as the Tigray People's Liberation Front ("TPLF"), became the leaders of the EPRDF, and as the EPRDF constructed a new government for the Ethiopian people, the TPLF pushed strongly for a federal system of government, under which regional territories – such as Tigray—would be granted significant autonomy and sovereignty. From 1991 until recently, this diverse coalition led by the TPLF governed over Ethiopia. In 2018,

however, a series of anti-government protests broke out across the nation, ushering in a new administration—one that was explicitly oppositional towards the Tigray minority population.

- When Abiy Ahmed became the Prime Minister of the nation, he systematically removed Tigrays from positions of power within the government, arrested dozens of journalists, substantially limited the freedoms of the Tigrayan people, and implemented harsh security crackdowns on the region of Tigray. Subsequently, tensions between the Tigrayan people and the federal government grew enormously, and the Tigray People's Liberation Front, which possessed regional control over the Tigray region, became increasingly antagonistic towards Ahmed's federal government. Tensions worsen even further in late 2020, when a mandate from the federal government required all territories within Ethiopia to delay annual elections due to the coronavirus pandemic; Tigray held its elections as per the normal, and in doing so, further inflamed the relationship between the Ethiopian federal government and the TPLF.
- In early November 2020, these tensions escalated to violence when hundreds of people in a southwest zone in the region of Tigray were killed by the Ethiopian military. Amnesty International – as well as dozens of other international organizations and nations–verified that Prime Minister Ahmed ordered such military activity. The Ahmed administration has claimed that its use of violence was a response to a Tigrayan attack on the Ethiopian military. In the past year, violence has intensified, and all parties involved have been accused of committing war crimes. The Ethiopian military has used airstrikes and bombing attacks to target parts of the Tigray region, prompting further retaliatory violence. The Ethiopian government has shut down all forms of digital communication within the country and has barred international observers from entering its borders for monitoring purposes. Violence has spilled over into neighboring Sudan and Somalia. Peace talks have been held by the African Union, but little has come from them.

### **Ukraine**

- During the era of the Soviet Union, Ukraine was the second most populous Russian state and had deep political, economic, and social connections to the USSR. In 1991, the Soviet Union collapsed and Ukraine became an independent, sovereign nation. Ukraine's foreign policy oscillated between pro-Western and pro-Russian. Western parts of Ukraine are dominated by a more nationalist, Ukrainian-speaking population that favors increasing Ukraine's connection with the West, like by allying with the US, joining NATO, and working with the European Union. Eastern portions of the country are largely characterized by Russian-speaking communities that favor strengthening ties with Russia rather than the West. In 2014, Ukraine's President opted to reject a proposed agreement that would increase Ukraine's political and economic ties to the Western-backed European Union. In response, protests erupted across the country, and the pro-Russian

Ukrainian President was eventually ousted from office, and a vote in the Ukrainian parliament relieved him of his duties as President.

- In response, the Ukrainian President called upon Russia, which did not recognize the interim pro-Western Ukrainian government as legitimate, for assistance. In response, Russia invaded Ukraine, where intense fighting occurred in the eastern Donbas region of Ukraine. Eventually, two self-proclaimed pro-Russian proto-states emerged from the conflict, known as the Donetsk People's Republic and the Luhansk People's Republic. Later in 2014, Russia annexed Crimea, a portion of Eastern Ukraine with historic ties to Russian language and culture, by deploying “little green men”—unmarked Russian forces carrying no identification or insignia—throughout major political centers of Crimea, such as the Parliament. Subsequently, after Russia bloodlessly infiltrated Crimea, they held a rigged referendum in which Crimea ostensibly voted, overwhelmingly, to secede from Ukraine and join the Russian Federation as a federal subject. Given that Russia shares a border with Ukraine, Russia's expansion into Ukraine and Crimea was prompted partly by a fear of Western political and military expansion nearing Russia's borders. Vladimir Putin also views areas in Eastern Europe like Ukraine and Crimea as being of vital importance to the Russian state: there are multi-generational familial ties between Russia and Crimea. Ukraine's capital city of Kyiv is often referred to as the “mother of Russian cities.” Putin wants to expand the Russian state to regain the glory of the Soviet Union. Putin has publicly demanded that NATO permanently refuse to consider future bids for Ukrainian membership, as well as withdraw military forces from the Eastern European region.

### **Françafrique**

- History: General de Gaulle sought to preserve France's *grandeur* after the devastation of WWII and the loss of colonial wars in Indochina and Algeria. The Françafrique regime institutionalized French influence in the region through economic measures (e.g., the CFA franc and multilateral FTAs) and military measures (e.g., French peacekeeping operations, training academies, and military bases). Family-like relations between French and African political elites allowed for extensive foreign aid, commercial investment, security cooperation, and cultural exchange.
- CFA Franc: France imposed the CFA franc upon Francophone Africa at gunpoint. When Guinea rejected the proposal, France (in Opération Persil) forged millions of notes of Guinean francs to induce hyperinflation.
  - Criticism: Foreign reserves to maintain the CFA franc's pegged exchange rate are held in France; bank deposits denominated in the CFA franc are largely kept in France—50% in the Bank of France and another 25% in French banks. The CFA franc is pegged to the euro, which hurts West African manufactured exports; strategic devaluation is impossible. France acts as a monetary dictator and denies countries sovereign authority over their monetary policy.

- Defense: The CFA franc provides stability to West African economies. Central banks may act erratically or irrationally; hence, the CFA franc limits inflation (inflation in the last half-century has averaged 6% in the Ivory Coast, which uses the franc, but 40% in neighboring Ghana, which uses the cedi). The currency union facilitates intra-regional trade. Convertibility with the euro increases FDI, as does the elimination of exchange rate risk (since the CFA franc is pegged to the euro at a fixed rate).
- Proposed Reform: Tie the CFA franc to a broader basket of currencies (e.g., the dollar and yuan) and further restructure the reserve requirements for CFA franc countries.
- French Isolation? Two crises changed France's relations with West Africa: the 1994 Rwandan Genocide and the 2004 skirmish between Ivory Coast and French military forces. Since then, France has shifted towards multilateralism, launching joint counter-terrorism operations with the US, EU, and UK.<sup>46</sup> Today, just 2500 French forces are stationed in the Sahel region, and 6000 soldiers are positioned in Africa writ large; in totality, France has fewer soldiers in all of Africa than in the entirety of Guyana.
  - Neo-Imperialism? French decline is exaggerated. Since the 1990s, France has intervened in 25 states. France maintains strong political and economic ties to its former colonies.
  - Vigilance Law: In 2017, France passed the Corporate Duty of Vigilance Law, which requires large French MNCs operating in Africa to identify and prevent human rights abuses and environmental damages which could occur as consequences of their business activities.
- Aims: Africa is geo-strategically important (for instance, half of the world's population will live in Africa by the end of the century). Now, France aims to (i) limit migration flows from Africa into Europe and (ii) combat regional terrorism and insurgency (e.g., Boko Haram, AQIM, and ISGS). Resources are also important: Niger's uranium industries are key for France's nuclear power production and France imports oil and gas from commodity-exporting countries like Algeria. Additionally, France gains power and prestige from its geostrategic assets in Africa; that's how France justifies its veto power on the UN Security Council.
- Anti-French Sentiment:
  - Central African Republic: France withdrew its MISCA peacekeeping forces out of the Central African Republic in October 2016; in the following years, Wagner paramilitary forces filled the void by protecting CAR President Faustin-Archange Touadéra in exchange for logging rights and control of the Ndassima gold mine.
  - Mali: France deployed Operation Barkhane in Mali to combat Islamist terrorists (especially AQIM, JNIM, and IS-GS) in 2014. Mali's military staged a coup in

---

<sup>46</sup> For instance, the US has military bases in Djibouti, Burkina, Cameroon, Kenya, Niger, and Tunisia. Even still, France has expertise, presence, connections, resources.

May 2021 and forced French forces out of the country. Within months, Mali's junta invited Wagner forces into the country.

- Niger: The July 2023 anti-French coup led by General Abdourahamane Tiani in Niger set in motion the ousting of French forces by October 2023; coup supporters were shown waving the Russian flag upon news of (pro-Paris) Bazoum's toppling.
- Burkina Faso: A military coup seized power in Burkina Faso in September 2022. The junta ordered French forces out of the country, stating they preferred to conduct counter-terrorist operations with Russia, and later signed a nuclear power plant deal with Russia.
  - Is Isolation Bad for France? (1) Anti-French authoritarian regimes control the media and propagate anti-French narratives. (2) France loses access to military bases and intelligence assets. (3) France loses its ability to direct migration flows. (4) Russia backs anti-French insurgents and terrorists.
- Counter-Terrorism: France's counter-terrorism strategy has centered around *ad-hoc* military interventions. This is destined to fail. Economic development, stable legal systems, and robust political institutions are the better pathway to long-term security in the region.
- TotalEnergies/Elf Petroleum: Algeria (an OPEC member) produces 1M barrels of oil per day and has around 4.5T cubic meters of natural gas; Libya is also a major hydrocarbons exporter with ties to France. TotalEnergies is now the third-largest company in France and enjoys a close relationship with Paris.
  - Competition: Chinese petroleum firms (i.e., CNPC and Sinopec) are entering the region and competing; they have a higher risk tolerance for operating in unstable regions. French MNCs desire stability; turning to Russian PMCs risks sanctions.
- Why has France's power in the region declined?
  - International: The 1990s changed France's policy in Africa: the end of the Cold War undermined France's need to be a "balancing force" in the US–USSR bipolar world; the disintegration of Yugoslavia and the Soviet Union diluted France's diplomatic weight in international bodies; France's accession to the EU weakened French diplomats' ability to maintain opaque and illicit ties to dictatorships (e.g., Omar Bongo in Gabon, Idriss Déby in Chad, and Denis Sassou Nguesso in the Republic of the Congo).
  - Domestic (France): French voters grew uncomfortable with Françafrique's weighty costs. The death of pivotal Françafrique figures—Jacques Foccart, François Mitterrand, Houphouët-Boigny—undermined support for France's vast geopolitical networks in Africa. The mass uproar around France's role in the 1994 Rwandan Genocide, and the subsequent stand-off with Ivory Coast forces in 2004, added further controversy.

- Neoliberalization: France has shifted away from a unilateral Francafrique towards a multilateral Francafrique. In 1994, France devalued the CFA franc by 50%, leading to mass uproar and riots as imported goods spiked in price. Under the Balladur doctrine, France conditionalizes foreign aid on IMF-style structural adjustment. In the 1990s, France reorganized its professional military forces in Africa into the Reinforcement of African Peacekeeping Capacities (RECAMP) which works in conjunction with forces from the US and UK.

## **DRC**

- History offers useful context. This decades-long conflict erupted soon after the DRC (then known as Zaire) became independent in 1960, when a bloody civil war broke out due to (i) disputes between Black soldiers and white commanders (culminating in the Force Publique's Congolese soldiers mutinying at Léopoldville and Thysville in July 1960), (ii) a power struggle between Prime Minister Patrice Lumumba and President Joseph Kasa-Vubu (and Lumumba's subsequent assassination), and (iii) ethno-regional secessionist/separatist movements in Katanga and South Kasai; the war unofficially ended in 1965 when Mobutu Sese Seko, a kleptocratic autocrat, rose to power. Years of corruption, internal strife, economic mismanagement, and low-intensity violence took a steep toll on national security.
- Conflict further intensified in the 1990s: after the assassination of Rwandan President Juvénal Habyarimana, Rwanda's Hutu extremists (led predominantly by the *Interahamwe*) massacred hundreds of thousands of ethnic Tutsis and moderate Hutus; as violence and terror engulfed the country, two million Rwandans—most of them Hutu—fled to neighboring Zaire. There, President Mobutu permitted Hutu extremists seeking vengeance against Paul Kagame and his (Tutsi-majority) Rwandan Patriotic Front (RPF) to establish military bases on Zairean soil and launch offensive strikes against Rwanda; concurrently, Mobutu brutally persecuted Zaire's ethnic Tutsis. By 1996, Kagame had seen enough, and in October 1996, Rwanda invaded Zaire to depose Mobutu from power. Other regional powers, notably Uganda, soon entered the conflict, giving rise to the First Congo War (or "Africa's First World War"). The war ended in 1997, replacing Mobutu's authoritarian regime with a democratic government led by longtime Congolese rebel Laurent Désiré-Kabila. But Kabila quickly cut ties with Rwanda and Uganda, the regional militaries which had brought him to power; in August 1998, Rwanda invaded the Congo once more. This conflict, too, spiraled into a regional war, with Angola, Namibia, and Zimbabwe intervening in support of Kabila's DRC (though Kabila was later assassinated by his bodyguards in 2001) and eventually ended in 2003, with Laurent Désiré-Kabila's son, Joseph Kabila, assuming the DRC's Presidency. Even with peace treaties signed, ethnic violence continued in the Kivu provinces (i.e., North Kivu and South Kivu) and the Ituri province.

- Though dozens of armed rebels were involved, the most well-known was the (Tutsi-majority) National Congress for the Defence of the People, or CNDP. After years of protracted territorial disputes, CNDP leadership signed a peace agreement with the DRC on March 23, 2009, which agreed to (i) integrate CNDP forces into the FARDC (the DRC's national army), (ii) establish parallel command structures for ex-CNDP and non-CNDP forces in the FARDC, (iii) guarantee ex-CNDP elites access to lucrative mining facilities, and (iv) recognize CNDP as a political party in exchange for CNDP ceasing hostilities. But that deal, as one Congolese scholar put it, was “a marriage of convenience destined for a nasty divorce.” By 2011, FARDC began undermining the terms of the peace deal (notably, encroaching on the ex-CNDP parallel command structures) and by 2012, the deal collapsed.
- On April 4<sup>th</sup>, 2012, ex-CNDP soldiers based in North Kivu dissatisfied with Kabila’s government mutinied and established the March 23 Movement, or M23 Movement; by November 2012, the group had captured Goma, the provincial capital, although a counteroffensive launched by UN peacekeepers (MONUSCO) and Congolese soldiers dispossessed M23 of significant territory by mid-2013; a new integration plan was signed, but has—*again*—has since fallen through. Since then, the conflict has developed other international dimensions: most cobalt, uranium, and copper mines in the DRC are now owned by Chinese SOEs (and, relatedly, Ugandan forces fighting M23 often use Chinese-built drone weaponry); Rwanda is credibly accused of financially and militarily backing M23 (so much that Rwanda–DRC relations have deteriorated significantly in the last decade); Uganda and Rwanda both have substantial financial stakes in Congolese mines; and Russia has exported thousands of Kalashnikov rifles and millions of rounds of ammunition to the FARDC.
- Under President Félix Tshisekedi (elected controversially in 2019), M23 has ramped up attacks—especially since March 27<sup>th</sup>, 2022, when M23 began a new offensive campaign and seized Bunagana—and received heightened inflows of weapons and funding from the RPF in Kigali. A temporary cease-fire brokered last year fell through in the spring. Over seven million people have been internally displaced. Islamist rebel groups, notably the ISIS-affiliated ADF (Allied Democratic Forces), have added fuel to the fire. The Congolese military has covertly collaborated with non-state paramilitary groups, especially the Hutu-majority FDLR (Democratic Forces for the Liberation of Rwanda) which is fiercely opposed to Tutsi influence in the Congo. The East African Community (composed of the DRC, Tanzania, Kenya, Burundi, Rwanda, South Sudan, and Uganda) has deployed the EACRF, a peacekeeping force, to “contain, defeat, and eradicate” M23; the EACRF’s mandate was extended by the EAC in September, especially important because the UN withdrew its MONUSCO peacekeepers from the region in June. SADC has also agreed to send forces prior to the DRC’s December elections.

## **Jamaica**

- Jamaica has faced decades of brutal gang warfare: when the country became independent in 1962, it had one of the lowest murder rates in the world (~3.9 murders per 100,000 people), but today, it has the second-highest murder rate in the world (~58 murders per 100,000 people). Transnational crime syndicates (like the Tel Aviv Posse and the Philadelphia Black Mafia), arms smugglers, and cocaine traffickers use Jamaican ports and wharfs as transit points; this provides revenue flows to criminal Jamaican gangs, known as *posses* (such as the Klansman Posse, the Shower Posse, and the One Don gang). Jamaica's two major political parties, the Jamaica Labor Party and the People's National Party, both have strong links to criminal organizations—not just because bribery is common, but also because local governments often provide weapons and informal immunity to gang leaders in exchange for personal protection, extrajudicial voter intimidation, and the provision of social services; in particular, Jamaican public/social housing projects are often jointly sponsored by local government officials and gang bosses to create “garrison communities” that are loyal to both parties, and gang dons (bosses) are known to provide financial support to low-income families to earn local support. In turn, this begets corruption. For instance, when Christopher Coke, the Shower Posse's kingpin, was arrested in 2011, the US demanded Coke be extradited to the US to face prosecution, yet the Shower Posse's political influence ran so deep that Bruce Golding, Jamaica's Prime Minister, hired private legal firms to oppose the extradition effort since he relied on Coke's cronies to secure votes in the Tivoli Gardens region.
- Violence has escalated since the beginning of the pandemic, as many individuals who are recruited into gangs come from poor neighborhoods and lack proper access to education. Furthermore, ~47% of Jamaican children grow up in single-parent households, which causes many young men to join gangs to gain male role models and a sense of validation and community. As a consequence, nearly 83% of Jamaica's 268 actively-operating gangs are characterized by loose membership structures, ill-defined roles for members, and limited territorial holdings. Additionally, Jamaican posses raise funds through lottery scams and extortion rackets targeting public bus lines. Most posses operate in Kingston, Montego Bay, and Spanish Town.
- For years, Jamaica has struggled to combat organized crime, particularly turf wars between neighboring narcoterrorist organizations. Local governments are politically reliant on regional gangs, so law enforcement is often highly corrupt; hence, *de facto* immunity is often given. Many high-profile *posses* in Jamaica are propped up by wealthy financiers in London, Toronto, and New York, giving them a financial leg up on Jamaica's debt-laden fiscally-strained government. Further, Jamaica's constabulary police force has been plagued by dozens of bribery scandals, jailbreaks are surprisingly common (especially since correctional officers are paid poorly, most prisons were built decades ago, and holding facilities are commonly located on scarcely-populated islands), and judges are often blackmailed. Even when gang members are prosecuted, they are rarely

convicted: influential politicians commonly interfere with judicial proceedings, witnesses are afraid of testifying for fear of retaliation, and unlike most other judicial regimes in the world, Jamaica's public attorney's office defends officials accused of corruption with its own resources.

- In mid-November 2022, Jamaican Prime Minister Andrew Holness declared a nation-wide state of emergency ("SoE") to combat gang violence: this measure authorized police to detain suspects and search buildings without express legal authorization via warrants. Jamaica has experimented with SoEs in the past, but they've been struck down by the Jamaican Supreme Court as unconstitutional (and criticized by activists as incompatible with human rights and subject to tremendous abuse by law enforcement). Hence, the November 15<sup>th</sup> state of emergency expired after just two weeks after the Jamaican Senate refused to extend the declaration. On December 7<sup>th</sup>, 2022, Holness declared a new, indefinite state of emergency in nine of Jamaica's fourteen parishes, including major tourist destinations like Montego Bay.

## **ICC**

- The International Criminal Court (ICC) is responsible for prosecuting the perpetrators of genocide, crimes against humanity, war crimes, and crimes of aggression. The ICC was established in 2002 by the Rome Statute, which outlines the legal foundations and guiding principles of the court. One-hundred and twenty three countries in the world are parties/signatories to the ICC. Notable exceptions include the US, India, China, and Russia.
  - Note that the ICC is different from the ICJ (International Court of Justice) which is an organ of the United Nations that hears disputes *between states*.
- The ICC emerged following decades of discourse over the concept of international criminal law. In 1945, after the end of the Second World War, the victorious Allied Powers held two *ad hoc*<sup>47</sup> criminal courts—one in Germany and one in Japan—to prosecute those who had perpetrated war crimes during WWII. Several decades later, the UN established two additional *ad hoc* criminal tribunals to prosecute war criminals—the ICTY in Yugoslavia, and the ICTR in Rwanda.
- During the 1990s, as the UN managed criminal prosecutions in both Rwanda and the former Yugoslavia, the movement for an international criminal tribunal strengthened; eventually, the Rome Statute was adopted in 1998 and entered into force in 2002
  - The US under Bush was vehemently opposed to the ICC's existence: not only did the US refuse to sign the Rome Statute, it also passed a bill informally known as the "Hague Invasion Act," which grants the US government the legal authority to use "any means necessary," including military force, to ensure that no American citizen is ever detained, imprisoned or prosecuted by the ICC. The law also barred

---

<sup>47</sup> *Ad hoc* criminal tribunals are tribunals created for specific contexts, rather than to serve as general institutions of enforcing international law

the US from providing military aid to ICC member states, but a vast array of exceptions were made, such as to NATO allies and MNNAs.<sup>48</sup> The US further intensified its anti-ICC stance under Trump by actively sanctioning and imposing visa bans on ICC staff, including ICC-affiliated lawyers and judges.

- Structurally, the ICC is led by a Chief Prosecutor, and has a total of eighteen judges, divided into three judicial chambers. No nation may contribute more than one judge to the Court.

### Complementarity, Jurisdiction, and Non-Retroactivity

- The ICC is bound by the *principle of non-retroactivity*, which means it is barred from prosecuting individuals *ex post facto*—in other words, the ICC can only prosecute crimes that were committed since the Rome Statute came into effect.
- The ICC is bound by the *principle of limited jurisdiction*, which means that the ICC can only prosecute individuals for offenses committed within the territory of a state that is party to the Rome Statute party. This means the ICC’s jurisdiction is *not* universal, but is rather constrained by territory—thus, when non-ICC member states commit war crimes outside of ICC-ratifying states, the ICC is powerless to launch investigations, indict criminals, or open prosecution efforts.
- Most importantly, the ICC is bound by the *principle of complementarity*, a principle which further limits when the court is allowed to prosecute. Per the Rome Statute, the ICC “can only intervene where a state is unable or unwilling to genuinely carry out the investigation and prosecute the perpetrators.” This means that the ICC is a *complementary* court: if crimes against humanity (or any other offense that can be prosecuted by the ICC) happen within the territory of an ICC member state, and that member state fairly prosecutes the perpetrator(s) of those crimes, the ICC has no legal right to launch its own, secondary prosecution—and interestingly, this holds true *even when* domestic courts acquit suspected war criminals (so long as the criminal process was genuine—that is, not obviously rigged).

### ICC Case Studies

- The ICC has handled a total of **31 cases**, some of which have involved multiple individuals. Of those cases, the ICC has issued **37 arrest warrants** and has **indicted 46 people**; of those indicted, **ten people have been convicted** and **four people have been acquitted**.
- In 2012, in the first-ever case brought before the ICC, the Court convicted **Thomas Lubanga Dyilo**, the former leader of a political militia in the Democratic Republic of the Congo, of “conscripting and enlisting children under the age of fifteen years and using

---

<sup>48</sup> MNNAs, or “Major Non-NATO Allies,” are countries that the US has strong military/strategic relations with, but are not NATO member states

them to participate actively in hostilities.” Dyilo was sentenced to prison and was forced to pay out ~\$10M in reparations to victims of his atrocities.

- Two notable controversies arose during Dyilo’s judicial proceedings. First, the ICC Prosecutor refused to disclose possibly exculpatory evidence, which almost derailed the entire trial and led to significant criticism. Second, the ICC pressed a very narrow series of charges against Dyilo, which damaged the ICC’s credibility in the DRC and limited the number of victims who could receive reparation payments.
- In 2014, **Germain Katanga**, a former leader of the DRC-based militaristic rebel group Front for Patriotic Resistance in Ituri, was convicted by the ICC. Katanga’s conviction was the ICC’s second-ever conviction, after Dyilo’s in 2012.
  - Controversies marred Katanga’s trial: Mathieu Ngudjolo Chui, a joint perpetrator of atrocities in the Congo who was initially tried alongside Katanga, was acquitted due to a lack of evidence of his participation in sexual crimes—a decision widely criticized for imposing an artificially higher burden.

### Criticism

- The main criticism levied against the ICC is that it has consistently displayed a Eurocentric and racist bias against African states. Every ICC indictment has been against an African individual, and the vast majority of the ICC’s investigations involve African criminals. This has contributed to significant anti-ICC sentiment within the African Union; Burundi, an African state, withdrew from the ICC in 2017 (however, this may have also, in part, been motivated by the fact that the ICC, since December of 2015, had been investigating possible war crimes within Burundi).
  - The Philippines (in Southeast Asia) also withdrew from the ICC—the second country, behind Burundi, to do so—in 2019, but did so because the ICC had opened an investigation into war crimes committed during the Philippines’ brutal crackdown on the illicit drug market.

### Saudi Arabia

- **Human Rights Violations:** The Saudi judiciary, including both Sharia and non-Sharia courts, makes extensive use of the death penalty; the mass execution of 81 alleged criminals in March of 2022 is case in point. The (non-Sharia) Specialized Criminal Court is particularly infamous for targeting minority religions and political dissidence. Torture, coerced confessions, arbitrary detainment, and forced deportations (particularly of Yemeni and Ethiopian migrant workers in cities like Jeddah) are common. Under the *kafala* system, migrant workers face persistent abuse and poor labor protections. Disadvantaged groups, particularly women and queer individuals, remain highly oppressed.

- **9/11 Role:** Saudi Arabia allegedly played a role in the September 11<sup>th</sup> terrorist attacks that killed 2977 people. What's the evidence? Osama bin Laden was the son of an affluent Saudi businessman. 15 of the 19 hijackers were Saudi-born. Saudi Arabia provided extensive financial support to al-Qaeda operatives in the lead-up to the attacks by helping to provide accommodations, flight training, and language assistance to the 9/11 hijackers. Prince Bandar, a member of the Saudi royal family, and Musaed al-Jarrah, a Saudi diplomat, were both rumored to have had advanced knowledge of the attacks. The US has also accused Saudi Arabia of fomenting radical Salafism throughout the Arab world, particularly since Saudi Arabia's post-1973 rise as a petro-state enabled Saudi King Fahd to spend ~\$75B on institutes of religious learning (namely mosques and madrassas); puritanical Wahhabist doctrine has seeped into Muslim-majority areas in Chechnya, Bosnia, and Kashmir.
- **Khashoggi Murder:** Mohammed bin Salman ("MbS") allegedly ordered the assassination of outspoken dissident Jamal Khashoggi, a journalist for the *Washington Post* who had grown critical of MBS' rule and the House of Saud ruling family. Khashoggi was murdered in the Saudi consulate in Istanbul, Turkey, on October 2, 2018. He had entered the consulate to acquire legal documents relating to his upcoming marriage; inside, fifteen Saudi agents tortured, drugged, and then suffocated Khashoggi before dismembering his body and placing his remains into five suitcases. Evidence of a premeditated assassination order from Riyadh is overwhelming; Saud al-Qahtani, a close advisor to MBS and longtime leader of Saudi Arabia's social media censorship and propaganda campaigns, is believed to have masterminded the operation.
- **War in Yemen:** Since 2015, Saudi Arabia (leading a regional coalition) has launched a brutal airstrike campaign against Iran-backed Houthi rebels (officially, *Ansar Allah*) in neighboring Yemen. The civil war, which broke out first in the Arab Spring protests of 2011 and then again in 2014 after Yemen revoked fuel subsidies, has featured extensive violence between Yemen's (former) President Hadi, the (Zaydi-majority) Houthi rebels, the Southern Transitional Council, and AQAP. The Saudi-led coalition has blockaded Yemeni ports, contributing to a horrifying famine throughout Yemen, and has relied heavily upon US-produced weapons (e.g. Lockheed Martin, Raytheon, Boeing, and Northrop Grumman) to kill thousands of combatants and civilians in Yemen.
- How strong is the US–Saudi relationship?
  - **Counter-Terrorism:** Saudi Arabia financed insurgents—directly and indirectly—throughout the 1980s and 1990s, especially the *mujahideen* and Taliban in Afghanistan; furthermore, the annual *Hajj* pilgrimage to Mecca every year is often exploited by extremists as an opportunity for fundraising. Saudi Arabian attitudes changed in 2003, when heavily armored al-Qaeda gunmen rampaged through Riyadh, slaughtering 39 people in a single night. Outraged, the Saudis formalized intelligence sharing and counter-terrorism agreements with the US to combat al-Qaeda—and later, AQAP (al-Qaeda in the Arabian Peninsula),

ISIS (the Islamic State of Iraq and Syria), and Hezbollah. Still, many suspect the Saudis of covertly supporting groups like Pakistan's Lashkar-e-Taiba or Syria's al-Nusra Front.

- **Military Ties:** Saudi-US military ties began in WWII, when US President Roosevelt and Saudi King Abdul Aziz met in February, 1944. During the Cold War, the US provided billions of dollars worth of weapons to the Saudis, stiffly opposed Gamal Abdel Nasser's pan-Arabist regime in Cairo, and backed Iraq in the Iran-Iraq War. When Saddam Hussein's Ba'athist regime invaded Kuwait on August 2, 1990, Saudi Arabia requested American defensive support; subsequently, nearly 500,000 US Marines were stationed throughout Saudi Arabia to safeguard oilfields while Operation Desert Storm forced Hussein's forces out of Kuwait. The post-war stationing of American troops in Saudi Arabia caused tremendous backlash, and was al-Qaeda's major justification for the 9/11 terror attacks; American forces were fully withdrawn from KSA by 2003. Still, Saudi Arabia remains the US' largest FMS (foreign military sales) ally having purchased hundreds of billions of dollars worth of fighter-jets, anti-aircraft and anti-tank artillery systems, helicopters, munitions, guided bombs, and Hellfire missiles. Notable arms deals were signed in 2010 (worth \$60.5B) and 2017 (worth \$110B). The delivery of the THAAD anti-missile defense system to Saudi Arabia is also demonstrative of US-Saudi military ties.
- **Petrodollar Diplomacy:** Saudi Arabia, home to the world's second largest oil reserves (trailing only Venezuela), epitomizes the petro-state. Saudi Aramco, majority owned by the Saudi regime, is the world's largest and most profitable oil company. Saudi Arabian oil reserves hold an estimated 17% of the world's proven petroleum reserves. The country's Ghawar oil field is the largest oil field in the world. Saudi Arabia is the *de facto* leader of OPEC, which the US relies on to ensure crude oil is priced and transacted in US dollars. Saudi Arabia maintains its dominance in OPEC because Aramco's extraction constitutes roughly 30% of OPEC's daily oil production, and Saudi Arabia's oil minister has always functioned as the functional executive of OPEC. However, US-OPEC relations have often been fraught (e.g. the 1973 OAPEC oil embargo following the Yom Kippur War and OPEC's repeated production cuts to keep prices artificially high). Alone, Saudi oil isn't critical for the US; just 11% of American oil imports originates from Saudi Arabia.
- **Geo-Strategic Power Struggles:** Saudi Arabia vociferously opposed both the 2003 US invasion of Iraq and the 2015 US-negotiated Joint Comprehensive Plan of Action, which provided sanctions relief to Iran—Saudi Arabia's archenemy—in exchange for tightly-monitored restrictions on Iran's nuclear program. Saudi Arabia remains opposed to Israel and, by extension, American support for Zionism.

- **Ideological Rifts:** Since the 1800s, the Arabian Peninsula has been home to an austere brand of Sunni Islam—known in the West as Wahhabism—first developed by the great Islamic scholar Muhammad ibn Abd al-Wahhab in the 18<sup>th</sup> century. Since then, ultra-conservative Wahhabist/Salafist doctrine has dominated Saudi Arabia’s absolute monarchy—a stark contrast to democratic, Western liberalism.
- What is the Saudi Arabian Public Investment Fund (PIF)? The PIF is Saudi Arabia’s sovereign wealth fund, and is now the fifth largest SWF in the world; Norway’s \$1.19T SWF is the world’s largest. The KSA PIF manages over \$600B in assets; although Yasir al-Rumayyan is officially the PIF’s Governor, MbS truly pulls the strings.
  - **Diversification:** The PIF is at the heart of Saudi Arabia’s long-term initiative, known as “Vision 2030,” to diversify the Saudi economy away from oil. The PIF has pledged \$500B to build *Neom*, a 75-mile-long skyscraper in the Tabuk Province, and has developed a new airline, *Riyadh Air*, and airport, the *King Salman International Airport*, to increase Saudi influence in the Gulf region. The PIF claims to have created 500,000 jobs in Saudi Arabia by investing into Saudi Arabian businesses; after all, around 60% of the PIF’s funds are invested domestically. The PIF has also invested abroad, acquiring stakes in video game companies (Activision, Electronic Arts, Nintendo, Capcom, and Nexon), aviation companies (Boeing), financial institutions (Citigroup, BoA, Berkshire Hathaway, Blackstone, and SoftBank), and technology giants (Uber and Facebook). Beyond direct investments, Saudi Arabia has courted hundreds of financial and commercial elites from the West through schmoozy, opulent gatherings in Riyadh and Jeddah.
  - **Culture:** Saudi Arabia has loosened some—but certainly not all—of its notoriously conservative social restrictions. Women now have the right to drive, travel without oversight by a male guardian, work in a range of professions, and study in universities. Traditional restrictions on public festivities have gradually been reduced: movie screenings and music concerts are now common, as are major events like the Red Sea International Film Festival and the Formula 1 Grand Prix Championship. An entire government agency, the General Entertainment Authority, exists to develop Saudi’s entertainment scene. The *mutawa* religious police, usually permitted to enforce strict Islamic customs, have been stripped of most power. Even clerics, businesspeople, and princes haven’t been spared from MbS’ purges; on November 4, 2017, dozens of prominent Saudi elites were forcibly detained at the Ritz-Carlton in Riyadh, where they were subsequently dispossessed of billions of dollars (ostensibly acquired through corrupt means)
  - **Transition:** Saudi Arabia has a young population; over 60% of the country is younger than 30. Mindful of the impending Saudi demographic crisis, MbS is transitioning away from a state-led model of growth. Saudi Arabia has slashed

fuel and electricity subsidies, forced millions of Saudis away from government jobs towards the private sector, introduced a 5% value-added tax (to reduce state dependence on Aramco's oil revenues), and offered a 1.5% ownership stake in Aramco via an IPO in the Tadawul stock market in 2019.

- **Sports:** The Public Investment Fund's most controversial investments have come in sports. In November 2019, Saudi Arabia signed a 10-year pay-per-view deal with the WWE (professional wrestling). In December 2019, Saudi Arabia spent a rumored \$41M to host the professional boxing match dubbed the "Clash on the Dunes." In April 2020, the PIF submitted a £300M ownership bid for Newcastle United Football Club, prompting tremendous outcry throughout both the English Premier League and British political circles; by October, the deal was complete—despite considerable pushback. In October 2021, Saudi Arabia launched a PIF-funded golf league, *LIV Golf*, to compete with the PGA Tour, long considered the world's dominant, most prestigious golfing league. Saudi Arabia now hosts an annual Formula 1 Grand Prix in Jeddah, the Diriyah Tennis Cup (first held in December 2022), and the Saudi Cup for horse racing (where total prizes exceed \$20M). Saudi Arabia's Al Nassr Football Club spent a staggering €200M to poach Cristiano Ronaldo.

**This House Supports the global rise of sovereign wealth funds** (e.g. the Public Investment Fund, China Investment Corporation, Kuwait Investment Authority, Norway's Pension Fund, Ghana's Stabilization Fund, Chile's Economic and Social Stabilization Fund, etc)

GOV: SWFs facilitate economic development by smoothing over temporary fiscal surpluses, generating long-term returns from exhaustible short-term resources (like oil or natural gas), minimizing fallout from commodity price shocks (for instance, SWFs accumulate dollar-denominated assets that can stabilize exchange rates when prices fluctuate), providing corporate intelligence and technical know-how from blue-chip MNCs to emerging markets in need of such information, and investing directly into domestic companies seeking affordable financing not otherwise available from under-developed financial markets. SWFs improve market stability, as SWFs usually prioritize long-term returns and therefore support forward-looking corporate governance, oppose short-term parochialism, and stabilize markets during downturns by buying up large shares in corporations (and

OPP: SWFs are political tools subject to political objectives; as such, clientelistic networks, patronage systems, and interpersonal linkages between public-sector bureaucrats and private-sector corporations incentivize SWFs to invest corruptly and nepotistically—and use their influence on corporate boards to pursue political objectives that often conflict with macroeconomic stability. SWFs tend to be opaque, leading to market uncertainty. SWFs might be perceived as weapons of economic statecraft, prompting protectionist retaliation. If SWFs are mismanaged, outright bankruptcy is a real risk—and when SWFs face political pressure to liquidate assets rapidly in times of domestic crisis (thereby giving governments much-needed liquidity), macroeconomic declines intensify. Poor regulation and transparency also makes SWFs likely

<p>not fire-selling assets, as SWFs rarely employ Wall Street's high-leverage trading strategies). Furthermore, SWFs' deep, multi-billion coffers ensure investment recipients (particularly, domestic SMEs) can access emergency financing for years to come.</p>	<p>candidates for overly-risky investing. Furthermore, SWF acquisitions may destabilize markets, as their opaque (and non-market-oriented) incentives may "chill" investors. SWFs run by non-democratic states may pose national security threats abroad.</p>
--	---

- What is LIV Golf, why did Saudi Arabia's bid for global golf dominance succeed, and why did the PGA Tour fold?
  - **Frustrations:** The PGA Tour has historically held a *de facto* monopoly over the global golf scene, but its prize-based, rather than salary-based, system of compensation irked many professional golfers. LIV Golf, pronounced "liv," was launched by the Saudis to capitalize on widespread dissatisfaction with the PGA—and to catapult Saudi Arabia into the heart of the golf industry.
  - **Differences:** The PGA Tour is rooted in tradition, but LIV rewrote the rules. Instead of the conventional 4-day, 72-hole tournament structure, LIV features a 3-day, 54-hole system (after all, LIV are the Roman numerals for 54). Music and celebration are encouraged at LIV games, whereas silence is the unquestioned norm at PGA events. And while PGA tournaments feature an *individual* competition, LIV added a *team* element to golf tournaments. Culturally, LIV Golf has also diverged in other ways; for instance, LIV permits players to wear shorts, unlike the PGA's expectation of formal khaki pants.
  - **LIV's History:** LIV's first events began in June 2022 with the LIV Golf Invitational Series, held at the Centurion Club golf course in England. Without official TV deals, the tournament was streamed online via YouTube and Facebook. Eight-figure compensation packages attracted some of the best golfing talent in the world, including Dustin Johnson (a six-time world golf champion), Phil Mickelson (one of golfing's all-time greats), Brooks Koepka, Lee Westwood, Bryson DeChambeau, and Sergio García. Tiger Woods turned down a contract worth a rumored \$700M.
  - **Fury:** The response was swift and harsh. US politicians and human rights organizations decried LIV for sports-washing Saudi Arabia's wretched human rights track record. Families of 9/11 victims wrote an open letter bashing the PIF-backed LIV Golf league. The PGA announced that any player who left the PGA Tour for LIV tournaments would be placed on a PGA blacklist. In response, LIV Golf—alongside several dozen golf players—filed lawsuits against PGA Tour, alleging that the PGA was an anti-competitive monopoly deserving of trust-busting.

- **Now?** On June 6, 2023, LIV Golf and the PGA Tour unexpectedly announced that they were merging. Many have called out the PGA for blatant hypocrisy and the merger is now subject to an antitrust review by US regulators.

<b>This House Regrets the PGA–LIV merger</b>	
GOV: Geo-politically, this merger is a major victory for Saudi Arabia's sports-washing campaign—and helps the PIF whitewash the KSA's terrifying track record on human rights. The fact Saudi Arabia succeeded in strong-arming the PGA into this position will embolden the PIF to embrace similar tactics in other industries like tourism, entertainment, theater, and professional sports.	OPP: The controversy around the merger brings crucial attention to Saudi Arabia's human rights violations—and gives political ammunition to human rights organizations to further slam MbS' regime. And the counterfactual would hardly be better: LIV's antitrust lawsuits would continue unabated, possibly <i>increasing</i> the PIF's influence in global golf even more than under the merger.

## Southeast Asia

Japan	461
South Korea	464
Brunei	470
Myanmar	473
Cambodia	481
Vietnam	484
East Timor	500
Thailand	501
Indonesia	504
Laos	505
Malaysia	506
Philippines	508
Singapore	510
Australia	511
ASEAN	512

## **Japan**

### History

- Japan unified under the Tokugawa Shogunate in the 17<sup>th</sup> century; samurai were the highest social class while merchants and artisans were relegated to the lowest rungs of society. Over time, that societal order crumbled because isolationist Japan faced limited security threats, reducing the need for the samurai.
- In 1853, (US Navy) Commander Perry’s “gunboat diplomacy” forcibly opened Japan to trade with the West under threat of invasion (as Britain did to neighboring Qing China). Faced with this Western threat, Japan industrialized and militarized (“rich nation, strong military”). The 1867 Boshin War toppled the Shogunate and installed Emperor Meiji as leader of Imperial Japan. Emperor Meiji gave great influence to an influential group of reformist samurai who implemented administrative and fiscal reforms by imperial decree. Simultaneously, Japan gradually Westernized (e.g., elites wore Western clothes, companies used Western technology, and soldiers used Western weapons). Japan industrialized through the *zaibatsu* industrial conglomerates (e.g., Mitsubishi) which worked contractually with the state and military. The Empire built rail lines from Tokyo to Yokohama, laid four-thousand miles of telegraph lines, built vast industrial steel mills, invested a third of the state budget into education, and slashed taxes on national champions. This “bureaucratic capitalism” yielded explosive growth.
- Japan became Asia’s dominant military and economic power. Japan colonized China (Manchuria), Korea, and Taiwan, and won the Russo–Japanese War. Japanese rule was

brutal: the Rape of Nanking, enslavement of comfort women, Bataan Death March, and Unit 731 are horrifying examples.

- After Hiroshima and Nagasaki ended WWII, Japan was forced to accept a new constitution drafted by order of US General Douglas MacArthur. Article 9 codified pacifism into Japan's parliamentary government by prohibiting Japan from declaring war, except in self defense, or from maintaining armed forces.
- The US occupied Japan after WWII. By 1947, the US began investing in rebuilding Japan's shattered, war-battered economy, providing extensive foreign aid, procuring industrial supplies during the Korean War, and relaxing antitrust laws. The US-backed regime in Tokyo was extensively involved in Japan's spectacular growth. The government lent heavily to large *keiretsu* conglomerates (e.g., Mitsubishi, Toyota, Nissan, Kodansha, Sumitomo), maintained a fixed exchange rate to boost Japanese exports, and passed the Foreign Exchange Allocation Policy to restrict imports and encourage an export-driven economy.

### Politics

- Japan is currently led by Prime Minister Fumio Kishida. Under the 1955 System, the Liberal Democratic Party (LDP) has consistently dominated Japanese politics and reigned supreme in the National Diet; the LDP has been out of power just twice since the end of the US occupation in the '50s. The LDP holds comfortable majorities in both houses of the Diet (House of Councillors and House of Representatives). The center-left Constitutional Democratic Party, Japan's main opposition party, will struggle to gain significant influence given its progressives views on same-sex marriage, gender equality, and racial/ethnic diversity. At the same time, the far-right opposition Ishin party is gaining traction in local elections.
- Shinzo Abe led the LDP from 2006 until his resignation as Prime Minister in 2020. Abe was assassinated in July 2022 over his rumored ties to the Unification Church, a controversial Christian movement in South Asia.
- Japan remains politically right wing (e.g., LDP's dominance), socially conservative (e.g., same-sex marriage remains illegal), largely mono-ethnic (98% of the country is racially Japanese), and highly nationalist. Japan still refuses to recognize, let alone apologize, for Japanese war crimes.
  - PM Kishida's cabinet requires the support of the LDP's leading conservative factions (i.e., Seiwakai and Shikakai); the hard-right Seiwakai faction within the LDP has gained increased influence since Abe's assassination.. While Kishida himself leads the liberal Kochikai faction, the LDP must accommodate hardline conservatives.

### Economics

- Japan's economic miracle saw spectacular growth after WWII, with annual GDP growth rates often eclipsing 13%. But by the late 1980s, Japan's wide-reaching asset

bubbles—especially in speculative real estate investments (fueled by the BOJ’s rate-slashing after the 1985 Plaza Accord led to the yen’s appreciation)—burst due to BOJ tightening/rate hikes; housing prices imploded, insolvent banks needed bailouts, stock markets crashed, and deflationary spirals set in.

- Japan responded under Shinzo Abe with expansionist policies dubbed “Abenomics” (pronounced “ah-beh-nomics”). Abenomics is based on three “arrows” intended to pierce Japan’s economic woes: (1) monetary easing from the Bank of Japan; (2) fiscal stimulus through government spending; and (3) structural reforms. In particular, the Bank of Japan pushed nominal interest rates below zero and engaged in extensive quantitative easing, particularly under the leadership of Haruhiko Kuroda.
- Japan faces two persistent economic problems: secular stagnation and population decline. In 2022, Japan’s population shrank by over 800,000 people. Wage stagnation and poor consumer confidence undermine economic expansion.

### Geopolitics

- In July 2014, Shinzo Abe approved a reinterpretation of Article 9 of the Japanese Constitution, which permits the Japan Self-Defense Forces (“JSDF”) to conduct overseas military operations in “collective self-defense” of Japanese allies.
- Japan is further militarizing under PM Kishida Fumio. Japan increased its military budget by 12% in 2023 alone—the second-straight year in a five-year military build-up plan approved in December 2022. Japan now possesses approximately 250,000 servicemembers, most in reserve.
  - Further progress is needed—especially in Japan’s Maritime Self Defense Forces (MSDF) is crucial since any conflict with North Korea or China will probably be at sea—in three respects. (1) Japan’s population shortage means there’s a lack of youth to fill military positions. (2) With labor shortages in the private sector, Japan is struggling to convince people to enlist in the all-volunteer JSDF. (3) Just 8% of the JSDF is female; sexism is endemic, as are sexual assault controversies over US military bases.
  - Japan will deepen collaboration with the US, as well as with allies in Europe and Asia, in defense, supply-chain resilience and technology. Relations with China will be in risk-management mode as Japan insulates its economic interests from geopolitical tensions.
- Japan faces a two-pronged military threat. First, Japan has territorial disputes with China, particularly over the Senkaku Islands. China’s “no limits partnership” with Russia has seen China conduct patrols with the Russian navy in waters around Japan. Second, Japan fears North Korea’s nuclear weapons program and its related missile tests around Japanese territory; Japan also has territorial disputes with North Korea over the Dokdo Islands.

## South Korea

- Korea fell to Japan in 1910. Japanese rule over Korea was brutal: the Korean language was banned from use, Japanese rulers cracked down on displays of Korean culture, and the use of Korea's productive infrastructure was reoriented towards serving Japanese economic interests. The brutality was so devastating that decades later, Japan's colonial practices were classified as war crimes during the Tokyo War Crimes Trial.
- After September 1945, Japan's Empire was deconstructed; Japanese colonies were granted independence. Korea faced two immediate problems. First, Korea had been governed by Japanese forces for multiple decades, so Korea lacked administrative and technical expertise. Second, Korea became an ideological battleground for two Cold-War-era superpowers as tensions between the US and the USSR rose. Outright violence was averted when the US and USSR agreed to divide the Korean Peninsula along the 38<sup>th</sup> parallel and govern the North and South halves of Korea under a system of international trusteeship; they further agreed that after five years, Koreans would regain the right to self-governance and foreign influences would be removed.
- In 1946, the USSR selected Kim Il-Sung to lead the provisional government in North Korea. Under Il-Sung's control, North Korea adopted a Soviet-style centrally-planned command economy, implemented mass land reforms, and seized control over private businesses; capitalist elites lost almost all of their power, and many fled to the South. One-party rule under the Workers' Party of Korea was established, and Kim Il-Sung began developing a cult of personality.
- In the South, the US established a temporary military government. That proved to be a disaster: American personnel had no knowledge of Korean language, culture, or customs, and the interim military-controlled state had to violently put down several peasant uprisings (e.g., the Autumn Uprising of 1946) which demonstrated the unpopularity of the US occupation. Eventually, the US held national elections, where Syngman Rhee—popular in the US due to his former career as a Washington-based political lobbyist and popular in South Korea due to his legacy as a former politician-in-exile—won with over 90% of the vote.
  - With US-backed Syngman Rhee governing the South and Soviet-backed Kim Il-Sung governing the North, the Republic of Korea (South Korea) and the Democratic People's Republic of Korea (North Korea) were established. In 1948, the US and USSR withdrew from the peninsula.
- Two concerns gravely concerned communist leadership at the onset of independence. First, the North Korean communist regime feared that the US-backed South Korean government might undergo rapid industrialization, which could cast doubt on the optical superiority of communism; consequently, North Korea strengthened ties with neighboring communist regimes to buttress its own development prospects. Second, North Korea faced an immediate food crisis because most farms had been established in the South during Japanese occupation; North Korean soil was terrible for farming.

- Facing these existential crises, Kim Il-Sung persuaded Joseph Stalin and Mao Zedong to back a North Korean invasion of the South. In 1950, North Korea launched a ground invasion of South Korea. The conflict quickly developed the dynamics of a proxy war, as the US/Western-backed UN sided with the South Koreans.
  - By the end of the Korean War, the borders between the North and South had largely reverted back to where they had been pre-war, with little territorial change. An armistice was signed, marking the end of the war. A demilitarized zone (DMZ) was established along the border.
- After the war, North Korea initially leaned heavily on other communist nations for support, particularly receiving food aid, technical support, and military assistance from China and the USSR. Around 1955, North Korean leader Kim Il-Sung delivered one of his most famous speeches, in which he advocated for the ideology of *juche*, or *self-reliance*. This ideology sought to divorce North Korea from its historical Confucian practice of *sadae*, which emphasized nationalistic filial piety and the importance of depending on greater, stronger foreign powers. Under the *juche* narrative, North Korea sought to reduce its reliance on other nations, such that it could achieve true self-determination and self-reliance. For instance, North Korea further intensified state involvement in the economy to develop a domestic agricultural sector to decrease reliance on foreign imports of food. However, these efforts largely stagnated: by eschewing international trade in favor of domestic production, North Korea depended on its own inefficient industries.
- After the war, the South Korean economy, which relied heavily on foreign aid from the US, struggled with rampant poverty. Seoul frequently resorted to violence to crack down on political opposition, as President Syngman Rhee ruled as an autocrat. Public dissatisfaction with endemic corruption and economic stagnation—and South Korea's relatively poor industrialization relative to its communist neighbor to the north—led to mass protests in the 1960s. President Rhee resigned, and within just a year, the military staged a coup against the transitional parliamentary government. Eventually, a pseudo-democratic (but *de facto* dictatorial) government, the Third Republic of Korea, assumed control of South Korea. Under this regime, South Korea set out to rapidly develop its economy and contain the spread of communism from the North—and to the ire of Kim Il-Sung's regime in North Korea, South Korea's economy flourished extensively in the following years.
- South Korea modeled its economic agenda after Japan's "indicative planning" initiative. Within this system, South Korea pursued a hybrid system of capitalism, whereby the government worked closely with private businesses to hit government-established production targets. Three policy instruments helped South Korea's miraculous growth.
  - First, the rise of *chaebols* (literally: "rich family") contributed greatly to South Korea's rapid industrialization. Chaebols are large, family-owned businesses like Samsung, Lotte, LG, and Hyundai. Unlike conventional privately-run businesses,

chaebols tend to be more focused on long-term growth, since they are majority-owned by families who want to sustain growth. Moreover, chaebolization enabled companies to diversify into many different industries as a consequence of their size and state-backing; for instance Samsung has, over many decades, established a foothold in the smartphone, television, and biotechnology industries.

- Second, all banks in South Korea were state-run which gave South Korean economic planners considerable influence over private-sector behavior. For instance, in the 1960s, South Korea forced LG to pivot away from textile manufacturing towards producing electric cables, which proved to be far more lucrative. Similarly, in 1970, South Korean banks threatened to bankrupt the Hyundai Group unless it entered the ship-building industry.
- Third, South Korea adopted significant measures to boost domestic industries, like by banning foreign competitors from South Korean markets, simplifying the process of acquiring business-related permits, and subsidizing domestic chaebols. Further helping matters was the fact that Japan had to pay hundreds of millions of dollars to South Korea in the form of reparations, which gave South Korea the capital it needed to invest into new industries, like its steel industry, even when private investors were unwilling to finance those endeavors.
- While South Korea's economy took off, its government—even though heavily undemocratic—feared that if wealth inequality accelerated too rapidly, pro-communist sentiment would grow. To preemptively limit this, South Korea redistributed wealth; for instance, the government subsidized fertilizer to boost the profits of rural farmers, conducted large-scale housing projects to increase rates of homeownership, and expanded access to schools, universities, and vocational training institutions. In totality, all of this saw South Korea's economy undergo the “Miracle on the Han River.” Average incomes in South Korea grew an astonishing 7% per year between the 1960s and the 1990s.
- Even though South Korea's economy flourished, its political freedoms remained heavily curtailed under President Park Chung-hee; in 1972, for instance, martial law was declared and the Presidency was given extensive power to rule by decree. Chung-hee became increasingly unpopular; he was later assassinated in 1979. A military dictatorship took over and continued South Korean authoritarianism, shutting down universities, censoring the press, and suppressing joint student-worker protests through violent means.
- Repression backfired: protests grew so overwhelming that the military dictatorship stepped down and the junta agreed to implement a new constitution. After the June Democratic Struggle in 1987, South Korea eventually restored free and fair elections, further revised its constitution, and released political prisoners. More symbolically, two former presidents were indicted on corruption charges.
- While South Korea's economy shocked the world with its astonishing growth, North Korea fell behind. Still, Kim Il-Sung managed to further consolidate power:

- First, North Korea placed a heavy emphasis on militarization, and as its military grew, most economic industries became tied to the military apparatus. Why? Kim Il-Sung was intensely paranoid: he feared invasion, and worried that North Korea was constantly at risk of foreign intervention.
- Second, North Korea mass-produced propaganda; even in the hardest moments of the country's history (e.g., famines), people were told that the suffering they were going through was "shared amongst all the people," and no matter the job people were assigned, they were told that they were an important part of the country. These themes are reflected in North Korean art, even more recently, like in the lyrics of the popular girl-band Moranbong.
- In the 1970s, North Korea attempted to modernize its economy by pursuing mechanized agriculture and refurbishing its energy grid. By the late 1970s, North Korea faced a debt crisis; few international creditors were willing to lend to North Korea. Consequently, North Korea had to pursue new means of income generation and secretly began producing and exporting missiles to Iran, Syria, Libya, Pakistan, and Egypt. Nonetheless, North Korea continued to face economic downturn, owing to its rigid, militaristic feudal social hierarchy and its inefficient, centrally-managed command economy.
- In 1991, the DPRK's economy took a nosedive. The collapse of the Soviet Union froze inflows of foreign aid; even worse, cheap energy from its major communist allies effectively came to a halt. North Korea's economic devastation was compounded with political crisis in 1994, when Kim Il-Sung died. His son, Kim Jong-Il, assumed power with his country facing financial, political, and humanitarian ruin.
  - Facing disaster, Kim Jong-Il adopted the "*Songun policy*," which further elevated the military's position in society (*songun* literally means "military first"). Under this system, the military was charged with leading North Korea's economic recovery, such as by constructing massive hydroelectric dams to rectify North Korea's nation-wide electricity problems.
  - Relatedly, Kim Jong-Il backed down on the *juche* ideology of self-reliance, and attempted to improve North Korea's global relations. In 1994, for instance, North Korea agreed to pause its nuclear weapons program in exchange for help from South Korean engineers in constructing energy-producing civilian nuclear reactors. In 1999, North Korea further agreed to tone-down its antagonistic international rhetoric, halt long-range missile testing, and limit DMZ incursions. All of this reflected not only *North Korea's* shifting attitudes towards the world, but also *South Korea's* embrace of the "Sunshine Policy," which sought to soften the hostility between these two nations.
  - The Sunshine Policy has also been reflected elsewhere: South Korea increased its shipment of development aid to North Korea, established the Mount Kumgang Tourist Region to facilitate an inflow of South Korean tourists into North Korea, and built the Kaesong Industrial Region to increase economic cooperation.

- However, North Korea grew dissatisfied with liberalization: even as North Korea normalized relations, aid inflows were disappointingly limited because companies were reluctant to enter North Korea given the arbitrary and capricious nature of its legal system. North Korea's foreign relations with the West deteriorated further in 2002, when US President George Bush included North Korea in his "Axis of Evil" speech.
- Even as the Sunshine Policy—and subsequent meetings between North and South Korean leadership—seemed to be moving intra-peninsular relations in the right direction, North Korea continued its nuclear weapons program in secret, and in 2003, withdrew from the Nuclear Non Proliferation Treaty before conducting its first nuclear weapons tests in 2006. At this point, Korean relations collapsed: North Korea retreated to isolationism and grew ever-more suspicious of the West—particularly given the abysmal state Russia found itself after the Soviet Union's collapse, which, from Kim Il-Sung's view, had been expedited by the USSR's Western-style liberalization under Gorbachev—and in South Korea, the rise of the far-right Saenuri Party symbolized the waning support in the South for mediation with the North.
- During the 1997 Asian financial crisis, South Korea's economy fell into recession, marking the end of South Korea's decades-long streak of rapid development. Following yet another major corruption scandal, South Korea pivoted towards American-style neoliberal capitalism and implemented various reforms to improve corporate governance, increase transparency in financial reporting, and stabilize companies' debt burdens. South Korea also imposed new regulations on chaebols.
  - However, even as South Korea reformed its economy, major businesses—particularly the chaebols—continued to enjoy cozy relations with the South Korean government. In 1988, for instance, the President of the Hyundai Group won a seat in South Korea's legislative National Assembly; other business leaders soon followed, and corporations gained increased control over South Korean politics. The rise of neoliberalism begot this by permitting wealth inequality to grow, thus enabling corporate figures to weaponize the sheer size of their wealth (e.g., Samsung accounts for over 20% of all South Korean exports) and influence to control political systems. For instance, in 1997, a massive corruption scandal was leaked to the public involving the Hanbo Steel conglomerate, which, at the time, was the second-largest producer of steel in South Korea. Perhaps the most telling instance of this occurred early in the 2000s, when Lee Myung-bak, the former CEO of Hyundai's construction department, was elected President from 2008 to 2013. During his tenure as President, Myung-bak pardoned powerful business leaders, including the Chairman of Samsung and high-ranking corporate officials from the SK Group and Lotte, on charges of tax evasion. Myung-bak was, himself, later arrested and convicted for corruption and bribery scandals. Former President Park Geun-hye was impeached

from office and later convicted in 2017 for bribery in a landmark case; candlelight-led protests called for her ousting.

- To push back against its negative international connotation, South Korea has tried to improve its image on the international stage, and it has used culture as its main “weapon” to accomplish this. For instance, the rise of “K Dramas” and “Korean pop” music, fueled by powerful studios like SM Entertainment, JYP Entertainment, and YG Entertainment, has enabled the rise of South Korean culture within Western media. Interestingly, this has even (illegally) become a big deal in North Korea! Many marriages in North Korea will often be divided into a public, state-sanctioned ceremony, and a private, off-the-record reception where South Korean media is displayed. That may be why North Korea has implemented such harsh penalties for consuming art produced in South Korea.
- But as South Korea has globalized its reputation and established a flourishing, prospering democracy, North Korea has been pounded by international sanctions. Kim Jong-Il’s 2011 death paved the way for Kim Jong-un’s rise to power; his rule has seen minor economic reforms—for instance, farmers are now allowed to sell portions of their crops at open markets for a profit—but he has continued North Korea’s nuclear program and broke off negotiations with the US under then-President Trump.
- North Korea’s primary means of side-stepping sanctions has been its robust trade with China. There are several reasons China props up the regime in Pyongyang. First, the CCP wants to stabilize the Korean peninsula to avoid a refugee crisis, which could arise in the event of war or conflict. Second, China knows that—given North Korea’s status as a nuclear power—any outbreak of conflict could plausibly result in nuclear weapons being fired *at or near* China, either directly by the Kim regime or by a local warlord. Third, the prospect of a unified Korea allied with American capitalism would threaten China’s regional interests and undercut the narrative of Chinese nationalism pushed by Xi Jinping. Fourth, the dire economic context North Korea finds itself in allows Chinese companies to pay North Korean workers disgustingly low wages—even by Chinese standards—and therefore gain a comparative advantage in global markets.

#### **The Asian Tigers: Hong Kong, Taiwan, South Korea, and Singapore**

(1) Governments backed national champions (e.g., Temasek in Singapore, Samsung in South Korea, Toyota in South Korea) through state financing, state protection, and favorable regulatory treatment. (2) Governments liberalized trade policies to increase exports; internal markets were too weak to support explosive growth. (3) Governments used fiscal policy to increase productivity by directly building infrastructure, facilitating technology transfer, and improving human capital. (4) Governments attracted FDI through tax breaks and export processing zones. (5) Land reform, e.g., in Taiwan and South Korea, significantly increased agricultural output and expedited the transition from sharecropping agriculture to landowner-farmer agriculture.

- The center-left Democratic Party of Korea (DPK) and right-wing People Power Party (PPP) are SK's two largest parties. The center-left DPK is the majority party in Seoul's National Assembly and the conservative PPP holds the Presidency (Yoon Suk Yeol).
- South Korea remains culturally conservative thanks in part to Confucian social conservatism and to widely-held communitarian values. Four decades of authoritarianism (especially under autocratic Park Chung Hee) have also left a cultural imprint on the country. Anti-communist attitudes are dominant.
- Since 2020, South Korea has broadly soured on the “Sunshine Policy” and *detente* with North Korea. Missile tests continually undermine relations between Seoul and Pyongyang. The launching of North Korea's new “spy satellite” has further strained bilateral ties. Hardliners on both sides of the thirty-eighth parallel will massacre any true hope of peace. Trust is fragile. Domestic politics constrain Seoul's flexibility.
- South Korea is Asia's fourth-largest economy thanks to its comprehensive, export-oriented manufacturing sector that excels in semiconductors, vehicles, and petrochemicals. South Korea is heavily reliant on external exports, leaving Seoul vulnerable to the vicissitudes of global trade. South Korea trails Taiwan in memory chip production.

### Geopolitics

- South Korea's fury with Japanese imperial nationalism has historically strained ties between Seoul and Tokyo. In August 2023, however, South Korea signed the JAROKUS American–Japanese–Korean trilateral pact to further military integration between the three countries; JAROKUS includes plans for trilateral ballistic missile defense and a mechanism akin to NATO's Article 5. JAROKUS adds to the Quad, AUKUS, and Five Eyes. As SK warms ties with Japan, opportunities for economic cooperation will increase.

## **Brunei**

### Politics

- Brunei received independence in 1984 and has been governed by an absolute monarchy for six centuries. Sultan Hassanal Bolkiah is Brunei's current monarch; he has ruled since 1967. Crown Prince Billah Bolkiah will eventually assume power.
  - Brunei's oil reserves will dry up within the next three decades. “Brunei Vision 2035” aims to diversify Brunei's economy and increase educational opportunities domestically.
- Brunei is majority Muslim. Sultan Bolkiah champions his sultanate as the Malay Muslim Monarchy. In 2014, Brunei adopted strict Sharia law, the first country in East Asia to do so; this allows Brunei to impose harsh penalties in accordance with Islamic values, such as stoning for adultery and amputation for theft.

- In 2019, Brunei passed the Syariah Penal Code Order, which legitimized the death penalty for acts of gay sex. Facing fierce international condemnation, the Sultan reversed Brunei's stance and announced a moratorium on the death penalty.
- Malay ethnic groups ("Bumiputera") represent 66% of Brunei's population. The Bumiputera benefit from a variety of government-provided privileges, such as exclusive rights to land ownership, access to jobs in the Royal Brunei Armed Forces and the Brunei Shell Petroleum company, and better educational opportunities.
- Around 10% of Brunei's population is ethnically Chinese but most Bruneian Chinese are denied official citizenship and are instead classified as permanent residents, locking them out of land ownership, subsidized health care, and free university education.
- Despite the repressive nature of Brunei's political regime, the Sultan is statistically quite popular, even amongst non-Islamic communities. A few factors contribute to this:
  - Social services, like free healthcare, education, and housing, are provided extensively within Brunei. Income taxes do not exist. Brunei has the world's fifth-highest per-capita GDP index. Standards of living are high. The Sultan regularly allocates land lots and housing to deserving residents under various government schemes.
  - Brunei ranks high in gender parity in education and health as well as in women's participation in the economy; this is also reflected in the country's low fertility rate. Brunei is ranked as having the second-lowest levels of corruption within the Asian region.
  - The country's Sultan is widely regarded as caring about his subjects; this is largely driven by extensive censorship over the media. Members of the royal family, led by Sultan Hassanal Bolkiah, also possess huge private fortunes.

### Economy

- Brunei's crude oil and natural gas production account for around 60% of GDP and over 90% of exports.
- Brunei is the second wealthiest nation in the Southeast Asia region, trailing only Singapore, due to its abundant petroleum reserves and liquefied natural gas exports. Nearly 80% of Brunei's population lives in urban areas; nearly two-thirds of the country live near or around Bandar Seri Begawan. Brunei's currency is pegged to the Singaporean dollar.
  - Historically, Brunei has been extremely dependent upon revenues from the oil trade: for instance, in the early 2000s, oil represented over 95% of exports. Since the 1990s, the Bruneian monarchy has sought to diversify the economy away from the resource sector, especially since the country's oil reserves are expected to run dry within the next 27 years.

- Brunei is moving away from upstream oil/gas exploration into downstream petrochemical production. Hengyi Industries is leading that effort; Chinese firms control 70% of the company. Brunei's low corporate tax rate (18.5%) is attractive.
- Nearly 25% of Brunei's labor force is composed of foreign workers, primarily immigrant workers from Malaysia, Thailand, the Philippines, and Indonesia; these workers generally work low-skill jobs.

### Geopolitics

- Brunei is ASEAN's least-populous country but punches above its weight. For instance, the ASEAN Center for Climate Change launched in Brunei in September 2023. Brunei is also a member of China's RCEP, which came into force in January 2022.
- Brunei has close relations with Malaysia and Singapore. Both Brunei and Malaysia are majority-Malay. The Trans-Borneo Highway will link Malaysia and Brunei by 2028. Brunei and Singapore coordinate extensively on security; the Singapore Armed Forces (SAF) train most members of the Royal Brunei Armed Forces (RBAF) and in exchange, Brunei permits Singapore to operate a jungle training camp in Temburong, a district in Brunei.
- Brunei hedges between China and the US:
  - The US collaborated militarily with Brunei during the Cold War, owing (i) to Brunei's strategic positioning and (ii) Brunei's jungle-dominated territory where the US could train soldiers for Vietnamese anti-guerilla warfare. The US and Brunei signed a defense memorandum of understanding in 1994; the two countries conducted the bilateral Pahlawan Warrior Exercise in August 2022. Brunei led the pro-TPP coalition until Trump's withdrawal. The Brunei-US English Language Enrichment Program for ASEAN is further proof. Brunei voted to condemn Russia's invasion of Ukraine at the UN, signaling support for the West.
  - Brunei established official relations with China in 1991. Trade has increased fourfold in the last decade. Xi visited Brunei in 2018. The two countries agreed in 2014 to establish a Brunei-Guangxi Economic Corridor. Brunei's largest downstream petrochemicals companies are majority-owned by Chinese firms. Brunei's Pulau Muara Besar island has received billions in investment from China.
    - **SCS Dispute:** Yet Brunei does not recognize China's nine-dashed line; Brunei has long abided by the 1982 United Nations Convention on the Law of the Sea (UNCLOS) and fears that if the fifth and sixth dashes come to fruition, China will infringe on Brunei's offshore energy sources. Brunei also quietly disputes China's claim to the Louisa Reef and Rifleman Bank, which fall within Brunei's EEZ.

## Myanmar

### History

- For centuries, various dynastic leaders governed Burma (e.g., Tabinshwehti and later Bayinnaung of the Toungoo Dynasty); several rounds of administrative and economic reform strengthened Burma's regional influence. But by the 18<sup>th</sup> century, Burma began fracturing as Manipur's Meitei peoples launched raids from northern India, secessionist clans in Lower Burma acquired French firearms clashed with central authorities in Upper Burma, and the Qing Dynasty's powerful Chinese military breached Burma's borders.
- By the mid-19<sup>th</sup> century, Britain turned its focus to Burma; Britain feared that an expansionist Burma jeopardized the British Raj in India; moreover, when Burma's military actions destabilized the region, refugees overwhelmed nearby territories, threatening British trade interests. Furthermore, Britain feared that France would expand into Burma first. And Burma was (and remains) rich in gems, minerals, and rubies.
- After the First (1824), Second (1852), and Third (1885) Anglo-Burmese Wars, Britain seized control of Burma in 1886. Colonial rule was devastating: low-intensity anti-imperial guerilla insurgencies were met with brutal British crackdowns (with entire villages razed to the ground); as commerce and trade flows flourished following the opening of the Suez Canal, British viceroys pressured Burmese farmers to meet ever-higher demand by borrowing from predatory *chettiar*s at high interest rates—while Anglo-Burmese merchants pocketed most profits.
- Many Burmese joined underground resistance campaigns, including the Young Men's Buddhist Association (YMBA) and the General Council of Burmese Associations (GCBA). Figures like U Dhammaloka, a Irish-Buddhist advocate of Burmese independence, grew prominent domestically. Western-educated university students, especially at the Rangoon University Students' Union, called for nationwide strikes. These actions led to the Galon Rebellion, led by Saya San, and the subsequent 1300 Revolution.
- Aung San, an anti-imperialist politician, founded the Communist Party of Burma (CPB) in 1939. After organizing the Burma Independence Army, he allied with Hirohito and drove the British from Burma; after Japan backstabbed Burmese nationalist, Aung San formed the Anti-Fascist People's Freedom League (AFPFL), re-joined arms with the British, and ousted the Japanese from Burma. After WWII, British rule was highly unpopular; independence negotiations culminated in the Panglong Agreement.
- Independence extinguished imperial rule, causing the AFPFL's unifying common enemy to disappear; just months after independence, the AFPFL split into communist and conservative factions. The shocking assassination of Aung San exacerbated instability—especially because the Bamar majority *sans* San reneged on its prior commitment to protect the regional autonomy of Burma's many ethnic minorities (e.g., the Chin, Kachin, and Shan peoples). By late 1948, full-scale rebellion broke out in the Arakan Mountains of the Rakhine State. *Burma's hellish civil war has never stopped!*

- Ideological divisions between Maoists and non-Maoists led to the expulsion of the Communist Party of Burma (CPB) from the socialist AFPFL; soon after, multi-ethnic violence broke out in Paukkongyi between the Tatmadaw (Burma's military) and communist insurgents (CPB). (Years later, communist-aligned ethnic minorities grew resentful of the dominance of Bamar-Buddhist leadership in the CPB and mutinied). Endemic poverty, corruption, and ineffective governance exacerbated violence and led to Ne Win's 1962 bloodless military coup, which exterminated Burma's nascent democracy and instituted a single-party military dictatorship. Ne Win's autocracy—characterized by social upheaval (e.g., reducing the power of Buddha Councils and embracing Bamar nationalism) and economic autarky (alongside nationalization and land expropriation)—fueled the flames of conflict.
- **EAOs:** Burma is pluralistic with 135 recognized ethnic groups, but Bamar Buddhism constitutes Myanmar's ethno-religious majority. Various ethnic armed organizations (EAOs) wage ethnonationalist civil insurgencies:
  - **Karen National Liberation Army (KNLA):** The Karen peoples constitute 7% of Myanmar's population; the KNLA fights for Karen independence in Kawthoolei. Bamar-Karen divides began under British rule because British missionaries converted many Karens to Christianity, fomenting inter-religious animosity and because Britain's divide and rule politics saw the Anglo-Burmese bureaucracy incorporate many Karen leaders, breeding inter-ethnic distrust. But KNLA power has waned since the '80s thanks to the Tatmadaw's "Four Cuts" scorched earth policy (cutting off Karens' access to food, funds, information, and recruits), inter-religious disputes (KNLA leadership is largely Christian but most Karens are Buddhist), the end of the Cold War (during which the US had backed the KNLA), and Thailand's normalization of ties with Myanmar.
  - **Kachin Independence Army (KIA):** Kachins, predominantly Christian animists, comprise 2% of Myanmar's population, largely in the Kachin and Shan states. Kachin separatism is driven by religious persecution against non-Buddhists, cooperation between Naypyidaw and Beijing, and Kachin outrage over the Myitsone Dam's 2011 construction.
  - **Shan State Army (SSA):** The Shan peoples, representing 10% of Myanmar's population, live primarily in the Shan state; the SSA's fight began soon after independence, as Shan princely elites had wielded great influence under British rule. SSA activities benefited from (1) the post-1949 arrival of KMT merchant-warlord refugees and (2) the Shan State's role in international opium production.
  - **United Wa State Army (UWSA):** Representing the Wa people, the UWSA has found great success, establishing a *de facto* autonomous state in Myanmar's Wa Self-Administered Division. Yet the UWSA is marred by greed: UWSA President Bao Youxiang is well-known for his involvement in opium smuggling; Lo Hsing

Han, a Kokang-Chinese drug baron with ties to the UWSA, transformed Pangkham into a drug-trafficking empire; and UWSA Regional Commander Wei Hsueh-kang is wanted in the US for his role in trans-asiatic narcotics trafficking.

- **Arakan Liberation Army (ALA) and Harakah al-Yaqin (ARSA):** ALA and ARSA fight on behalf of the Rohingya Muslims, who live in the resource-rich Rakhine State but have faced brutal genocide from the Tatmadaw (e.g., the Burma Citizenship Act of 1982 denied Rohingya citizenship). Since 2016, the genocide has greatly intensified. The harrowing 969 Movement champions a bloody strand of Buddhist nationalism that has led to grassroots violence against the Rohingya.
- **Democratization:**
  - **8888 Uprising:** In 1988, Aung San Suu Kyi rallied student union leaders in mass protests for federalization and democratization. Subsequently, Burma's junta permitted elections; when Aung San Suu Kyi's NLD (National League for Democracy) won handily, the military reneged on its commitment to democracy, arrested Suu Kyi, and escalated counterinsurgency campaigns.
  - **Saffron Revolution:** After years of pro-democratic pressure, both domestically and internationally, Prime Minister Khin Nyunt announced a roadmap to democracy. In October 2007, Buddhist monks, draped in purple robes, led the now-famous "Saffron Revolution" after the junta revoked fuel and petrol subsidies; in response to mass public pressure, the junta passed a new constitution (albeit, reserving one-quarter of seats for the military) to appease protesters, placate the West, and reduce unilateral dependence on China. In 2015, Aung San Suu Kyi's NLD won national elections.
  - **Coup D'état:** In November 2020, the NLD dominated Myanmar's national elections, earning 82% of the vote; the military-backed Union Solidarity and Development Party earned just 6%. The Tatmadaw declared fraud; Myanmar's independent electoral commission disagreed. On February 1, 2021, the Tatmadaw ousted the NLD from power: arresting Suu Kyi, removing 24 key NLD ministers, detaining key opposition leaders, and cutting Internet access. Six million protesters stormed the streets; hundreds were gunned down in the ensuing crackdown.
  - **Resistance:** The exiled National Unity Government, working in tandem with Myanmar's smorgasbord of EAOs and secessionist movements, has recaptured over 60% of territory from the Tatmadaw. Major cities remain under the control of General Min Aung Hlaing and his army loyalists.

## Politics

- The National Unity Government is led by acting President Duwa Lashi La, of Kashin descent. The NUG leads a series of five People's Defense Forces (PDFs), divided by region. Defection rates within the Tatmadaw have soared since the outbreak of conflict.

- The NUG's PDFs are estimated to be 65,000 men strong. PDFs are coordinated by the NUG's Central Command and Coordination Committee (C3C) and Joint Command and Coordination (J2C). The NUG also has Local Defense Forces (LDFs) and People's Defense Teams (PDTs or "PaKaPha"). Collectively, PDFs and LDFs have raised an estimated \$55M (USD) in funding through (i) diaspora donations, (ii) taxes in NUG-controlled areas, and (iii) EAU budgets. But munitions smuggling costs are high, so the NUG relies primarily on low-quality homemade weapons and lacks access to high-quality artillery, anti-air, and anti-armored weapons. PDFs also work with the powerful Chinland Defense Force (CDF), Karen National Defense Force (KNDF) and Kachin People's Defense Force (KPDF), although the CDF, KNDF, and KPDF do not fall under the NUG's umbrella. These rebel forces (and those under the NUG's command) depend on local support for supplies, funding, and secrecy; if the Tatmadaw can drive a wedge between local communities and the rebels they house (e.g., burning down villages or killing outspoken pro-NUG supporters), the NUG will falter. Yet the Tatmadaw's brutality against civilians is also driving support for the revolutionary cause.
  - No single federal army has yet arisen in the NUG due to the (1) deep distrust between EAOs and Bamar-majority forces, (ii) lack of political agreement on the political future of Myanmar, and (iii) absence of a strong leadership figure.
- In late October, a tripartite rebel coalition called the Brotherhood Alliance—comprising the Arakan Alliance (AA), the Myanmar National Democratic Alliance Army (MNDAA) and the Ta'ang National Liberation Army—launched **Operation 1027**. So far, success has been impressive: the MNDAA seized control of the Kokang Self-Administered Zone and the Brotherhood Alliance has overwhelmed an estimated 200 military outposts in Shin Wan and Hone Shin. In **Operation 1111**, launched in mid-November, Karen Nationalities Defense Force platoons seized territory in the Kayah state; a university was attacked.
  - EAOs pose a greater threat to the junta than PDFs: EAOs have been at war for decades and hence have better-consolidated command/control (C2) structures, larger weapons caches, deeper contacts into weapons markets, and superior training. The junta recognizes this asymmetry and has deployed a majority of its active-duty platoons away from Myanmar's Dry Zone, where the NUG's PDFs/LDFs operate. Further, the Tatmadaw aims to drive a wedge between (superior) non-NUG EAOs and (inferior) NUG-backed PDFs by killing EAO leaders who collaborate with the NUG (e.g., air-striking leadership outposts of the Kachin Independence Army in November 2022 after the KIA's 9<sup>th</sup> Brigade after the KIA conducted joint raids on police stations with NUG-backed forces). These efforts may be working: in May 2023, the Federal Political Negotiation and Consultative Committee (FPNCC)—which negotiates on behalf of seven major EAOs—called for China to intervene to diffuse the crisis; the FPNCC is led by

the United Wa State Army (UWSA) which is closely allied with the CCP (e.g., most UWSA forces use Chinese-manufactured Type-81 automatic rifles).

## Geopolitics

- Regionally, Myanmar is a destabilizing force. Under the military junta, Myanmar has transformed the “Golden Triangle” region (i.e., the Ruak and Mekong Rivers) into the world’s leading opium production site. Regional violence between the military and EAOs has caused violence to spill over into neighboring China. Myanmar’s harrowing persecution of the Rohingya has displaced hundreds of thousands of refugees into Bangladesh, Thailand, and Indonesia. Myanmar re-opened diplomatic relations with North Korea in September 2023; Pyongyang’s arms may be traded for Myanmar’s rice. Myanmar’s fighter jets have repeatedly (and illegally) crossed into Thai air space. Junta-backed militias have killed multiple Indian civilians in the Indian border town of Moreh. Myanmar’s *Pya Ley Pya* (literally, “Four Cuts”) anti-insurgency quasi-scorched-earth tactics (i.e., cutting rebels’ access to food, funds, information, and recruits through shocking displays of violence and terrorization of local residents) is worrying; the May 2023 Cyclone Mocha worsened an already-acute humanitarian crisis.
- International
  - **Russia:** Moscow remains Myanmar’s go-to ally. In particular, Myanmar continues to import MiG-29 fighter-jets, Yak-130 aircraft, Mi-24/Mi-35P helicopters, Su-30 warplanes, Orlan-10E surveillance drones, Pantsir-S1 surface-to-air missiles, and Pechora-2M anti-aircraft missiles. *Russia needs the money, Myanmar needs the firepower.* Myanmar’s top military brass typically go to Russia for their military training. Russia’s Defense Minister Sergey Shoigu visited Myanmar on late January 21 in 2021 (mere days before the coup).
  - **China:** Myanmar is militarily and economically interconnected with China, particularly through the China–Myanmar Economic Corridor (CMEC), including (i) transportation (e.g., the \$9B Muse-Mandalay Railway and the \$8.9B Kyaukphyu–Kunming railway) and (ii) oil/gas pipelines connecting the Bay of Bengal to Chinese oil and gas refineries. Yet Myanmar views China with reserved caution: (i) China spent years cozying up to ASSK’s NLD and even requested a meeting with her after her incarceration; (ii) China has historically backed EAOs near China’s Yunnan province to limit spillover; (iii) China’s border with Myanmar forces the CCP to engage with the Myanmar pragmatically while Russia stands to lose less from a hyper-aggressive Tatmadaw; and (iv) China’s failed Myitsone dam project was widely controversial within Myanmar. The evidence is striking: China refused to attend Myanmar’s Lancang-Mekong Cooperation in January 2023 after significant pressure from ASEAN states; the UNSC’s first-ever condemnation of Myanmar passed in December 2022 with mute opposition from China; and China’s special envoy to Myanmar has met

repeatedly with EAO leaders, encouraging negotiation. China also realizes the desperate weakness of the junta, especially since the US Senate passed the strictly anti-junta Burma Unified through Rigorous Military Accountability Act (BURMA) Act in December 2022, which authorized non-lethal US support for PDFs and EAOs.

- **Myanmar and Malacca:** China's primary economic interest is diversifying its oil import routes away from the Malacca Strait: China, the world's largest oil importer, imports most of its oil from Angola and Middle Eastern OPEC producers. Imports travel through the Strait of Malacca (as does one-third of all global trade), a narrow stretch of water between Sumatra, an Indonesian island, and the Malay Peninsula. The "Malacca Dilemma" is an existential fear of the Chinese leadership. The Malacca Strait is a vulnerable "chokepoint" (the Strait is just three kilometers wide at its narrowest point) and could be blockaded by the US or India (e.g., when China invades Taiwan). Worryingly, the US has extensive trade and security ties with Singapore (e.g., the 2005 US–Singapore Strategic Framework Agreement, annual trade flows exceeding \$75B, and good relations between Washington and Singapore's People's Action Party) which has direct access to the Strait; even worse for China, the US' Changi Naval Base in Singapore provides the US Navy direct access to the Malacca Strait; the US' security relations with the Philippines exacerbates China's anxiety. Myanmar's ports provide an alternative route for imported goods from the Bay of Bengal to reach the Kunming region of China.
- **Ideology?** China's backing of the Tatmadaw does not reflect its ideological opposition to pro-democracy movements. Rather, China acts to protect its geo-strategic interests. For instance, in September 2021, Guinea's democratic President Alpha Condé was ousted in a military coup, yet China opposed the coup, fearing that the junta would threaten China's bauxite and iron ore deposits.
- **ASEAN:** The Association has struggled to mount a compelling response to the coup in Myanmar. In April 2021, ASEAN issued a five-point consensus, demanding an immediate cessation of violence, constructive engagement, a special ASEAN envoy, and humanitarian assistance. Myanmar has been banned from high-level ASEAN meetings and will no longer lead the bloc in 2026, as was originally planned. In the three years that have passed since the coup, three different states—Brunei, Cambodia, and Indonesia—have chaired ASEAN, each pursuing different strategies. In June 2021, the UN General Assembly passed a nonbinding arms embargo with five ASEAN states voting in favor (Singapore, Vietnam, Philippines, Indonesia, and Malaysia) and four ASEAN states abstaining (Brunei, Cambodia, Laos, and Thailand). At the September

2023 ASEAN Forum, a “troika mechanism” was agreed upon, in which Indonesia (outgoing), Malaysia (future), and Laos (incoming) work collectively on the Myanmar question. The Philippines will chair ASEAN in 2026, replacing Myanmar.

- **ASEAN:** As a collective, ASEAN finds Myanmar’s overt embrace of Russia and China uncomfortable. One analyst writes: “ASEAN member states opt to maintain balanced, non-aligned foreign policies to avoid alienating any great powers... Even those that are more aligned one way or the other, such as Cambodia with Beijing and Singapore and Vietnam with Washington, still look to keep channels open and bypass taking a side in great power competition... The new Myanmar junta, on the other hand, violates this practice with its embrace of rogue regimes [and] contempt for international norms such as territorial sovereignty.... If fully returned to good standing within ASEAN, [Myanmar] will likely serve as a spoiler and advocate for Russian and Chinese interests... [T]his could be the blow that renders ASEAN increasingly irrelevant just at a time when China, the United States, and others jostle for greater influence in the region.”
- Myanmar explicitly ignores ASEAN’s authority. In July 2022, ASEAN Chair Hun Sen sternly warned Myanmar not to execute innocents; days later, four democracy activists were publicly executed in a show of defiance.
- The NUG is increasingly backed by the US due to (i) the December 2022 BURMA Act (see above), (ii) the February 2023 opening of an NUG office in Washington, and (iii) the presence of the Western evangelical Free Burma Rangers anti-junta paramilitary group in Myanmar. ASEAN hesitates to back the NUG for fear of irking China.
- ASEAN is famously non-interventionist; its charter opens: “we, the peoples of the member states of ASEAN... respect the fundamental importance of amity and cooperation, and the principles of sovereignty... territorial integrity, non-interference, consensus, and unity.” ASEAN’s unanimity-based decision-making process provides *de facto* veto power to every member state.
- ASEAN champions the ideology of “ASEAN Centrality,” i.e., the belief that ASEAN must become a dominant regional institution to resolve internal problems and engage productively with external powers. Yet ASEAN’s woeful inaction vis-a-vis Myanmar undermines ASEAN’s claim to regional centrality. Case in point: Biden opted to not attend the September 2023 ASEAN Summit—perhaps an indication that the US tacitly views ASEAN as weak and divided.
- China has fractionalized ASEAN in the last fifteen years by pitting member states against each other; for instance, ASEAN hasn’t issued a

joint communique on South China Sea disputes since 2012, nor has ASEAN managed to adopt a code of conduct.

- **Thailand:** Thailand suffers from the refugee exodus out of Myanmar; hence, Thai Prime Minister Srettha Thavisin favors constructive engagement with the junta to reduce the intensity of the civil war. To this end, Thailand has hosted three informal military meetings with senior junta leaders. Thailand's military-backed government is cozy with Myanmar's military junta. Yet Thailand's unilateral rapprochement with Myanmar's junta has drawn fury for (i) legitimizing the regime and (ii) undermining ASEAN's push for peace as a collective body.
- **Malaysia:** Malaysia is stiffly opposed to the junta, particularly because Malaysia (a Muslim majority nation) despises Myanmar's mistreatment of the Rohingya Muslims. Relatedly, Malaysia's Foreign Minister, Saifuddin Abdullah, meets frequently with NUG ministers. But Malaysia wants swift action to be taken on Myanmar, with Prime Minister Anwar Ibrahim having lamented ASEAN's sluggishness and claiming "non-interference [is] not license for indifference."
- **Brunei:** Brunei, which chaired ASEAN in 2021, swiftly condemned the coup, appointed the special envoy, led the charge to block junta officials from ASEAN meetings, and—without precedent—negotiated intensely with other ASEAN states to invoke Article 20 and bar Myanmar from sending a political representative to ASEAN meetings, thereby bypassing ASEAN's unanimity voting system.
- **Cambodia:** Cambodia chaired ASEAN in 2022; controversially, Cambodian Prime Minister Hun Sen became the first foreign head-of-state to visit Myanmar in January 2022. Cambodia supported collaboration and engagement with the junta, but other member states were outraged at Cambodia's legitimizing of the junta.
- **Indonesia:** Indonesia is ASEAN's chair in 2023 and favors backchannel "quiet diplomacy" with the junta; Indonesian diplomats have met a rumored *sixty times* with Myanmar this year alone. China is Indonesia's trade partner (worth \$130B annually) and many speculate that Indonesia is hesitant to put true pressure on Myanmar for fear of irking Beijing. Allegedly, Indonesian state-owned manufacturers (e.g., PT Pindad and PT Dirgantara) supply weapons to the junta.
- **Singapore:** Singapore is publicly critical of the junta—yet, even as Southeast Asia's financial hub, Singapore has taken little action to cut off the junta's access to financial resources. A report by the UN found that over 130 companies based in Singapore supplied \$254M worth of weapons and arms to Myanmar between February 2021 and December 2022 alone.
- **East Timor:** East Timor is an ASEAN member "in principle" since its partial accession in 2022. East Timor invited NUG leadership to the country as an "official visit," irking the Tatmadaw. And East Timor President Jose Ramos-Horta

publicly questioned whether his country would continue pursuing ASEAN membership if harder action wasn't taken on the junta to limit violence.

### Economy

- The poverty rate in Myanmar has doubled since the coup in February 2021; GDP has fallen 13% since 2019 and international sanctions on. The dismissal of qualified technocrats and civil servants since the coup has undermined public infrastructure. The military relies heavily on two military-owned enterprises—the Myanmar Economic Corporation and the Myanma Economic Holdings—for revenue. Public boycotts have targeted MyTel, a joint Vietnam–Myanmar telecommunications company. The kyat, Myanmar's currency, is largely traded on black markets. Liberalization is reversing; autarky looks to be the new norm.
- Natural resources and precious minerals are the cornerstone of Myanmar's statist economy. In particular, the state-owned Myanma Oil and Gas Enterprise is responsible for around half of Myanmar's hard foreign currency. The Yadana gas field is another important source of revenue for Myanmar and source of energy for the region (e.g., 8% of Thailand's electricity is generated from Yadana LNG). Myanmar has vast deposits of pigeon blood rubies, silicate jade, and blue sapphires.
- Sanctions have further increased the military's economic dominance in Myanmar. Cronies run many industries; corruption is believed to be on the rise. Restrictions on foreign aid have worsened the humanitarian crisis. Myanmar has a famous history of interfering with international aid organizations which operate within its borders (e.g., vetting lists of foreign personnel) which has limited foreign NGOs' involvement in Myanmar. Nearly 50% of all economic activities in Myanmar take place in the informal (non-taxed/non-regulated) sector.

### Cambodia

#### History

- Cambodia gained independence from the French in 1953 after a communist insurgency; Norodom Sihanouk (pronounced “see-ah-noke”) became King, then abdicated to become head of state, and led the country as a quasi-neutral power in the ‘50s and ‘60s. Sihanouk formed the Sangkum movement, which embraced Cambodian nationalism and conservative (anti-communist) values but permitted limited involvement of leftists (even as non-Sangkum leftists were persecuted).
- Sihanouk grew paranoid of the US and cut off all US military aid in the mid 1960s; with proxy wars in Laos (i.e., the Laotian Civil War between the communist Pathet Lao and the conservative Royal Lao) and Vietnam (i.e., the Second Indochina War between the communist Viet Cong and the People's Army of Vietnam against and US-backed South Vietnam), Sihanouk expected communist victories in Cambodia's neighboring countries. In 1966, Sihanouk inked an alliance with Mao's China, authorizing Chinese military

bases in Cambodia. Furthermore, Cambodia's stated neutrality, political instability, and military weakness allowed PAVN and VC forces to seek refuge and rest in (low-populated) eastern Cambodia, as well as move weapons and supplies through the Cambodia-based Sihanouk Trail, a logistical supply network of roads and rail lines. In 1969, newly-elected US President Nixon authorized covert bombing raids on Cambodia, targeting PAVN/VC military outposts.

- Sihanouk was overthrown by a military coup in March 1970 led by Prime Minister Lon Nol, who proclaimed the Khmer Republic. The Khmer Republic abandoned neutrality and allied officially with the US in its fight against North Vietnam; thousands of Vietnamese civilians in Cambodia were subsequently massacred. Yet the far-right, militaristic Khmer Republic lived a short life. Sihanouk backed the communist Khmer Rouge movement, led by Pol Pot, in a bid for power. With Nixon and Kissinger carpet-bombing Cambodia (i.e., dropping over two million tons of explosives, more than the US dropped in all of WWII), the Khmer Republic lost legitimacy to the Khmer Rouge. In 1975, Pol Pot's forces surrounded Phnom Penh, Cambodia's capital, and seized power.
- Pol Pot's totalitarian dictatorship was beyond brutal. The Communist Party of Kampuchea (CPK) massacred an estimated two million Cambodians—a shocking 25% of the country's population. Urban residents were forcibly displaced and subjected to death marches. Mass executions were common. At the infamous S-21 Security Prison, Cambodia's secret police force, the Santebal, tortured and killed twenty-thousand.
- Vietnam invaded Cambodia in April 1977 after Cambodia's military slaughtered thousands of Vietnamese citizens at the Ba Chúc massacre; broadly, Cambodia's fears of an irredentist Vietnam, alongside Pol Pot's aspirations to seize the Mekong Delta region, led Cambodia to act belligerently against the Vietnamese regime in Hanoi. Vietnam invaded in 1977; a second offensive in December 1978 paved the way for the CPK's demise in 1979. The Cambodian People's Party (CPP), led by Hun Sen, assumed control of the country with the backing of Vietnam, which occupied the country for a decade. Intermittent violence with communist insurgents (e.g., Pol Pot's exiled forces) continued throughout the 1980s. Peace came with the 1991 Paris Peace Agreements, which ended the Third Indochina War.
- The Extraordinary Chambers in the Courts of Cambodia, a Cambodian tribunal led by the UN responsible for prosecuting members of the genocidal Khmer Rouge regime, took 19 years and \$300M in funding to convict three officials for their involvement in the Cambodian genocide.

## Politics

- The Cambodian People's Party has ruled Cambodia since 1979 without interruption; Hun Sen served as Prime Minister from 1985 to 2023, with his son Hun Manet succeeding him as Prime Minister in August 2023. Hun Sen further consolidated power in a 1997

military coup against political opponents. The 2013 elections, in which Hun Sen's People's Party claimed victory, were widely decried as fraudulent; protests were met with gunfire. In 2017, Cambodia passed a controversial constitutional amendment enabling the Cambodian People's Party to unilaterally dissolve opposition parties. The amendment led to the eventual banning of the Cambodia National Rescue Party, widely seen as Cambodia's leading opposition party. For years, the National Election Committee has arrested several people for crumpling their ballots or writing "X" in place of voting for the CPP. More recently, the CPP's most viable opposition, the Candlelight Party, was disqualified on technical grounds in May 2023.

- The CPP claims legitimacy by appealing to Angkorean nationalism (Angkor is the historic capital of the Khmer Empire) and Buddhism (over 90% of the country's population is Buddhist). Hun Sen and his son, Hun Manet, maintain power through vast patronage networks and patron-client relationships which unite the armed forces, judiciary, and private businesses behind Cambodia's authoritarian regime.
  - Cambodia pursued partial liberalization in 1989 after Vietnam's withdrawal; the CCP's economic and political dominance allowed Hun Sen and his cronies to dictate the terms of liberalization (especially the privatization of land rights and SOEs).

### Geopolitics

- Cambodia is a strong supporter of China. While China controversially supported the Khmer Rouge, and opposed Hun Sen's CPP throughout the 1980s as the Cold War raged, China–Cambodia relations rehabilitated in 1997: when Hun Sen launched a military coup to consolidate power, the West slashed development aid and ASEAN suspended Cambodia's pending membership in the Association—yet China rushed to Cambodia's defense, eager to seize the moment. Since then, as human rights violations and democratic infringements have kept Cambodia at arm's length from the US and EU (which have imposed sanctions repeatedly), China has become Cambodia's primary ally.
  - **China's Backing:** Over 75% of FDI into Cambodia comes courtesy of China. Chinese contractors have built the Sihanoukville Special Economic Zone, a 47 km road in Phnom Penh, a 190 km expressway along Cambodia's southern coast, and the Lower Se San 2 dam, which provides tremendous hydroelectric power to the country. Despite violating national laws, Cambodia sold a 20% stake in its Koh Kong port to Chinese investors. PLA forces are stationed at the Ream naval base, which borders the Gulf of Thailand, and PLA Navy vessels dock frequently at Cambodia's Port of Sihanoukville. At least 39% of Cambodia's public debt is held by Chinese banks. China has consistently defended Cambodia's human rights record, even as Cambodia faced scrutiny from abroad. Cambodia participates in annual Golden Dragon military drills with the PLA.

- **Reciprocal Goodwill:** Cambodia consistently votes against condemnations of Chinese policy against Hong Kong and Xinjiang at the UN. Hun Manet's first overseas trip as Prime Minister was to China in September 2023. Cambodia is consistently a pro-China voice within ASEAN; for instance, in 2016, Cambodia vetoed a proposed ASEAN statement on China's island-building in the South China Sea, then received \$600M in loans from China the next week.
- **China's Interests:** (1) China views Cambodia as a regional counterbalance to US-aligned countries like Vietnam and the Philippines. Moreover, China's military integration with Cambodia aids counter-piracy and counter-terrorism operations in the Gulf of Thailand; China additionally may use Cambodian facilities if tensions escalate over the Spratly Islands. (2) Energy-hungry as ever, China imports hydroelectric power from six Chinese-built dams on the Mekong River; relatedly, the Cambodian National Petroleum Authority hopes to capitalize upon lucrative oil deposits believed to be in Cambodia's EEZ. (3) Cambodia *de facto* is China's patron-state within ASEAN.
- **Fence-Sitting:** Article 53 of the Cambodian constitution explicitly states that "the Kingdom of Cambodia adopts [a] policy of permanent neutrality and non-alignment." The US and EU remain Cambodia's primary export market. There is evidence to substantiate the Cambodia fence-sitter hypothesis: Cambodia co-sponsored the March 2022 resolution condemning Russia's invasion of Ukraine and Cambodia openly supported Japan's Free and Open Indo-Pacific in 2017, both (privately) at China's ire.

### Economics

- Cambodia's economy—reliant on its high supply of low-skilled labor—specializes in low-cost "cut-trim-make" garment manufacturing (e.g., 600,000 people are employed in garment factories, with the garment industry accounting for 16% of national GDP and 80% of export earnings).
- Cambodia is pursuing gradual de-dollarization (i.e., the National Bank of Cambodia enables digital payments through a digital non-USD token, injects riel liquidity into the financial system, requires banks to hold 10% of all loans in the riel, and instructs businesses to list domestic prices in the riel).
- Cambodia desires diversification, especially into electronics and solar panels. Cambodia's young and cost-competitive labor force makes that diversification viable. Growth elsewhere looks good: de-risking and decoupling from China is increasing production in Cambodia and new FTAs with South Korea, China, and RCEP will strengthen Cambodia's export earnings.

### Vietnam

#### History

- Vietnam has a long and rich history of cultural diversity, with historic Vietnam home to dozens of ethno-lingual, cultural, and religious communities. Thousands of years ago, the Dong Son peoples arose in the early Bronze Age and soon expanded throughout the north; the Dong Son culture remains famous for its metallic pottery and bronze drums. The Cham peoples lived predominantly in the south. Both extensively cultivated rice.
- As various Yue and Lạc Việt ethnic groups emigrated to Vietnam, various dynasties and monarchies battled for regional supremacy. The Hồng Bàng dynasty was among the most powerful of these polities, ruling for nearly two thousand years. But the Hong dynasty's rule could not last forever: in the 3<sup>rd</sup> century BCE, the fearsome warrior An Dương Vương conquered the Hong dynasty and founded the Âu Lạc monarchy. Ending Vương's hopes of a long-lasting dynasty was Zhao Tuo, a former military general in China's Qin dynasty, whose Guangdong-based Nanyue kingdom vanquished the Âu Lạc monarchy around 180 BCE.
  - *Mythology of Zhao Tuo: Zhao Tuo's rise to power is cloaked in mythology. Zhao's initial raids of u Lạc were repelled by Dương Vương's magical crossbow, a gift from a golden turtle god called Kim Quy. Frustrated on the battlefield, Zhao sent his son, Zhong Shi, to the lands of An Dương Vương's u Lạc dynasty. There, Zhong fell in love with My Châu, the daughter of Dương Vương. After Zhong and Châu married, Zhong convinced Châu to reveal the location of her father's magical crossbow. Zhong then disarmed the weapon. When his father, Zhao Tuo, launched the next attack, Dương Vương fell quickly.*
- Contemporary historians disagree over the nature of Zhao Tuo's leadership in the Nanyue kingdom. From one perspective, Tuo's status as a former Qin general meant that his rule marked the beginning of China's domination of Vietnam. From another perspective, Tuo was Vietnam's first true emperor.
- Whether Tuo's rule constituted foreign interference or not, China's Han Empire invaded his Nanyue Kingdom in 111 BCE. Within just a year, Emperor Wu's Han army vanquished the Nanyue forces, seized Guangdong, and publicly executed Zhao Jiande, the last Nanyue king. The Han conquest officially subordinated the Vietnamese peoples to Chinese rule in an era now known as the "First Chinese Domination."
  - Chinese culture was not new to the Yue peoples of Nanyue for two reasons. First, since borders in the Bronze Age were largely porous, Chinese farmers often traveled south to harness Nanyue's fertile soil and warm, humid climate; extensive intermingling between (Han) Chinese and Yue wet-rice farmers led to partial Han–Yue cultural fusion. Second, Zhao Tuo—himself Han Chinese—imposed both Yue and Han cultural traditions upon the peoples of his Nanyue kingdom.
  - Still, Chinese leaders went to great lengths to sinicize the Yue peoples of their Vietnamese territories: schools adopted the imperial examination system; Taoism and Confucianism were spread through force; Chinese-style Legalism,

Confucian-based ethics, and Mandarin bureaucratic structures were imposed upon Vietnam; Chinese governors demanded hefty bribe payments from local families; and Chinese dynastic courts replaced Vietnam's matrilocal marriage laws (which, historically, afforded great power and prestige to women) with patriarchal Chinese marriage laws.

- This coercive sinification met stiff resistance. In March of 40 CE, two sisters—Trung Trắc and Trung Nhị—led a rebellion against oppressive Chinese governor Su Ding. Different sources recount the Trung sisters' rebellion differently: some writings claim that Trac sought revenge for the murder of her husband while others posit that she aimed to reverse the newly-instituted marriage codes. No matter the motive, the Trung sisters' rebellion—numbering *eighty-thousand strong*, predominantly women—succeeded, ousting Chinese forces and installing Trac as queen.
- But the Trung sisters' victory was short-lived. Emperor Guangwu of the Han Dynasty ordered Ma Yuan, a military general, to lead a harrowing counterattack in 42 CE, which crushed all resistance within mere weeks; tens of thousands of the Trung sisters' soldiers were massacred. Trac and Nhị, surrounded and outnumbered, took their own lives (though Chinese recounts claim they were beheaded by Guangwu's forces).
  - *The Legacy of the Trung Sisters' Uprising: The Trung sisters are revered by many Vietnamese and are celebrated annually in the Hai Ba Trung Temple Festival. They symbolize patriotism and nationalism; in particular, the Trung sisters are the first major figure of anti-imperialism in Vietnamese history. Their power also evidences the matriarchal elements of pre-contemporary Vietnamese societies.*
- With the Trung sisters' rebellion crushed, Vietnam (then called Jiaozhi) entered the “Second Chinese Domination,” which lasted for nearly five-hundred years. Imperial Chinese officials were gravely disturbed by the collapse of Su Ding’s regime, so they doubled down on sinicizing Vietnam. Ma Yuan and his executioners slaughtered thousands of traitors. They purged Vietnam of its rich cultural traditions (e.g., melting Dong Son bronze drums) and replaced local governing structures with Mandarin bureaucrats of the Legalist tradition.
- Yet Imperial China’s efforts to exterminate Vietnam’s indigenous culture were largely unsuccessful; as volatility swept throughout China, large swaths of the Vietnamese countryside were governed indirectly, enabling the customs, traditions, and values of the Yue peoples to live on. Moreover, revolts by Chu Dat (157 CE) and Liang Long (178 CE) indicate the refusal of the Vietnamese to cower before Peking’s Imperial rule. When China’s Han Dynasty collapsed in 220 CE, triggering a tripartite division of China in the “Three Kingdoms” period of instability, Vietnam fell under control of the repressive Eastern Wu dynasty; in yet another display of anti-imperial sentiment, Vietnam’s legendary Lady Triệu soon led a resistance campaign against Vietnam’s foreign occupiers. To this day, Lady Triệu is often considered to be the “Vietnamese Joan of Arc;” for instance, she is well-known for saying: “*I'd like to ride storms, kill sharks in*

*the open sea, drive out the aggressors, reconquer the country, undo the ties of serfdom, and never bend my back to be the concubine of whatever man.”*

- Even still, much of Vietnam remained under China’s shadow even as Chinese leadership shifted from the Han to the Wu to the Sui to the Tang dynasties. Over time, though, movements for Vietnamese independence grew ever-stronger. The Cham peoples of central Vietnam staged a successful uprising in 192 AD and governed the Lâm Ấp kingdom for five continuous centuries; the Funan’s loose network of states gained influence over the Mekong region around the same time.
- The greatest stride towards true independence came with the Early Lý dynasty in 544 AD, led by the military-aristocrat Lý Bí. The Early Lý dynasty established *de facto* control over northern Jiaozhi (Vietnam) but, like the fleeting Vietnamese regimes which came before it, fell to Imperial China (this time, the Tang Dynasty) in 617 AD. The rule of the Tang Dynasty (which renamed Jiaozhi as Annam) marked the “Third Chinese Domination” of Vietnam by occupying Chinese authorities.
- Imperial China proved too unstable to govern Vietnam into perpetuity. Over the years, various informal dynasties and armed secessionists gradually chipped away at China’s grasp on power. The death knell came in 938, when cunning Vietnamese strategist Ngô Quyền led his forces to a decisive victory over the Chinese Southern Han Dynasty in the famous Battle of Bạch Đằng. Ngô Quyền’s victory marked the end of over a thousand years of Chinese imperial rule in Vietnam.
  - *Ngô Quyền’s Tactical Genius: Ngô Quyền’s nascent kingdom secured victory against the Southern Han at the 938 Battle of Bạch Đằng. Correctly predicting that the Southern Han forces would sail down the Bạch Đằng River in a last-ditch bid to crush his army, Ngô Quyền embedded thousands of wooden pikes beneath the river’s surface at low tide, then lured the Southern Han navy towards his trap. As Ngô Quyền expected, the Southern Han ships were punctured and rendered immobile. Ngô Quyền’s forces sprung from hiding, defeated the Southern Han, and killed the Southern Han Emperor’s son.*
- Ngô Quyền founded a new country, *Đại Việt* (*Nam Viet*), centered near the famed Cố Loa Citadel (in modern-day Hanoi). His dynasty fared poorly. Ngô Quyền died just six years into his reign as king, begetting a bloody civil war and concurrent power struggle between twelve warlords. That conflict ended in 968 when Đinh Bộ Lĩnh unified all of Vietnam under his Đinh dynasty, but the bloodshed did not end. Assassinations, invasions, coups, and uprisings destabilized Vietnam until Lý Thái Tổ, a well-respected palace guard, established the Lý dynasty in 1009.
- Vietnam flourished under the Lý dynasty. The Temple of Literature, a Confucian learning institute, was built in 1070. Governing bureaucracies were centralized and reformed. Land reclamation and agricultural developments (e.g., large-scale construction of dikes) facilitated farming. The Vietnamese alphabet (*chu nom*) was standardized, transliterated into Chinese characters, and adopted as the national language. Incursions by the

neighboring Song dynasty in China were repelled. Laws were standardized and courts were allowed to rule independent from autocratic influence.

- These reforms marked a profound turning point in Vietnam's political history. For thousands of years, most of Vietnam's dynasties ruled through force; they relied on strong militaries to maintain order. By contrast, leaders of the Lý dynasty recognized the importance of developing robust political and economic institutions.
- Still, intra-monarchical instability led to the collapse of the Lý dynasty in 1225. Trần Thái Tông led the newly-formed Tran dynasty, which ruled until 1400. Like the Lý aristocrats before them, Tran monarchs reigned over a "golden age" in Vietnamese culture and art. The Tran dynasty reformed Vietnam's army, making special use of Chinese-manufactured gunpowder. These reforms proved so strong that Tran armies expanded into southern Champ regions and *thrice* repelled Kublai Khan's Mongol invasions (in 1258, 1282, and 1285). These victories are still remembered in Vietnam as illustrations of Vietnam's long struggle against foreign colonialism.
- But colonialism returned once again in 1407, when China's Ming dynasty invaded Vietnam after Hồ Quý Ly's 1398 manipulative palace coup. The Ming monarchy (and the Yongle Emperor, in particular) subjected Vietnam to the "Fourth Chinese Domination." As before, Chinese governors aggressively pursued sinicization and repressed the cultures and traditions of the Vietnamese peoples; they placed particular focus on Vietnamese literature and art, which they burned *en masse*. This oppression provoked fierce backlash; well over three-dozen revolts occurred between 1407 and 1418, alone.
- That subjugation came to an end with the Lam Sơn uprising, which began in 1418. Lê Lợi, a daring rebel who had grown disenchanted with the Ming's cold wrath, led his guerilla forces throughout the country, ambushing Ming soldiers with the element of surprise. Though Lê Lợi surrendered temporarily in 1422, he resumed the fight months later. By 1427, the Chinese forces were exhausted and starved for resources; the Battle of Chi Lăng, in which Lê Lợi's rebels routed the Chinese, was the nail in the coffin.
- The Lam Sơn uprising once again expelled Imperial China from Vietnam. The national champion of a newly independent Vietnam, Lê Lợi established the Le Dynasty, which ruled intermittently until the 18<sup>th</sup> century. Lê and the monarchs which succeeded him embraced a Confucian approach to governance. Lê's dynasty expanded southward into neighboring Champa polities, absorbing the indigenous Cham peoples into an ever-expanding Vietnamese nation.
- In time, that proved problematic: with central monarchs struggling to maintain control over the country, opportunists lunged for power. The upstart Mac household briefly toppled the Le dynasty in 1527 but was quickly expelled from southern and central Vietnam. With the Mac dynasty supreme in northern Vietnam, the restored ("Revival") Le dynasty clung to power in the south. Soon, two rival factions—the Trịnh clan and the Nguyễn lords—struggled for power in the Revival Le dynasty, provoking the deathly Trịnh– War. After many decades of war, the Trinh house emerged victorious.

- The war left Trinh leadership weakened. Nguyễn Nhạc's upstart Tây Sơn dynasty capitalized, eventually seizing control of the entire country in 1778. By 1802, that monarchy gave way to the Nguyễn dynasty.
- The Nguyen dynasty named their kingdom “Viet Nam,” for the Chinese considered “Nam Viet” too closely tied to historical separatism in Jiaozhi. Gia Long, the Nguyen dynasty’s first and founding emperor, moved the capital to the city of Hue. That decision was ill-fated: Hue was far removed both from Vietnam’s major population centers, Saigon and Hanoi, and from naval ports.
- Administratively, Gia Long’s reign was unremarkable. He standardized Vietnamese legal codes but did so largely by borrowing from Qing judiciaries. He struggled to cohesively govern both the north and the south, which had developed in differing political and military climates; for instance, he refused to implement a nationwide literary exam due to regional differences.
  - Yet Vietnamese culture flourished under the Nguyen dynasty. Three Vietnamese poets rose to prominence under Gia Long: Nguyen Du, Ho Xuan Huong, and Nguyen Cong Tru.
- Emperor Gia Long died in 1820 and was succeeded by Emperor Minh Mạng, his (Confucian conservative) son. Minh Mang cut off all diplomatic ties with Europe—particularly France, which had provided extensive assistance under King Louis XVI to Gia Long through the 1787 Treaty of Versailles—and clamped down on religious plurality within Vietnam, particularly targeting his rage against Catholics and Muslims; for instance, Minh Mang barred Catholicism from the country, burned dozens of churches, and force-fed pig meat to (Champa) Hindus.
- Regional conflicts intensified under Minh. Neighboring Cambodia had been a Vietnamese possession since 1813, but Minh Mang’s stiff repression induced revolution in 1833. King Rama III of Siam (modern-day Thailand) saw opportunity and invaded. The First Siamese–Vietnamese War (1831–34) ended not only with Siam’s defeat, but also with Vietnam’s annexation of Cambodia in its entirety.
- Minh Mang subjected Cambodia—a country rich with ethno-cultural diversity—to crude Vietnamization. Through the apparatus of Ang Mey, Cambodia’s Vietnam-installed Queen, Vietnam forced Cambodians to wear Vietnamese clothing (e.g., *áo dài* garments), speak the Vietnamese language, provide excess rice to Vietnamese forces, and abide by Vietnamese culture. Cambodians broke out in revolution in 1840. Siam’s King Rama III once again saw instability as an opportunity and launched a second invasion of Cambodia, determined to oust the Vietnamese (then under the emperorship of Thiệu Trị). After four grinding years of attrition warfare, Vietnam and Siam (Thailand) agreed to collectively govern Cambodia under Siamese–Vietnamese suzerainty.
- But Vietnam’s dreams of long-lasting sovereignty came up short. War-battered and politically fragmented, Vietnam’s Nguyen dynasty soon found itself the prey of colonial powers far stronger than itself.

- The Nguyen dynasty ruled Vietnam until 1858 when the Second French Republic launched a military campaign to conquer Vietnam. Over the following three decades, France seized control of Cochinchina (southern Vietnam), Tonkin (northern Vietnam), and Annam (central Vietnam). Lawlessness invited Chinese forces, which France repelled in the Sino-French War; the 1884 Tianjin Accord formalized China's recognition of French sovereignty in Tonkin. By 1885, France had completed its conquest of Vietnam, making Cochinchina a full French colony and Tonkin and Annam French protectorates.
  - In the following years of French rule, the Càn Vuong insurgency called powerfully for the restoration of the Vietnamese monarchy. As violence intensified, France began a strict military campaign to pacify Vietnam and crush remnants of China's Black Flag Army and Càn Vuong sympathizers.
  - In 1887, France reorganized its Vietnamese colonies into French Indochina alongside Cambodia (and, later, Laos).
- World War I profoundly changed French Indochina. Thousands of Vietnamese subjects fought for France, due either to voluntary interest or conscription, during WWI; returning home, they found the French response bitterly disappointing, and many turned to the nationalist movement. Exposure to the West, and education in the West, as well, furthered the push for radical opposition to French rule. Under wartime pressure, Vietnam's economy grew rapidly and expanded into new industries (e.g., rubber plantations) yet the profits were exploited ruthlessly by the ruling French elite. To maintain Vietnamese support for the war, French authorities permitted local Vietnamese newspapers to circulate.
  - Yet resistance to the war effort was stiff and Vietnamese resistance was met with pushback from French Governor-General Albert Sarraut. As the security apparatus (*sûreté générale indochinoise*) expanded, so too did opposition to the French; the Bolshevik Revolution in Tsarist Russia prompted further strengthening of the colonial security apparatus. Dissidents like Phan Bội Châú were arrested. Propaganda campaigns choked Vietnamese civilians with pro-French rhetoric. Public spaces were monitored. **Nationalism was deemed an existential threat to France's colonial interests.**
- The post-WWI environment gave rise to powerful pro-independence voices, the Vietnamese Nationalist Party and Indochinese Communist Party chief among them. The February 1930 Yên Bái mutiny, in which Vietnamese soldiers mutinied in the name of independence, is case in point. When WWII broke out and Paris fell in May of 1940, the Vichy government in France adopted a policy of collaboration with the Nazis. The Vichy regime permitted Japan to occupy French Indochina. War with neighboring Thailand was brutal, as was the Japanese occupation, in which the Vietnamese famine of 1945 killed up to a million people.
- During WWII, the Potsdam Conference agreed to split Vietnam along the 16<sup>th</sup> parallel between Chiang Kai-shek's KMT and Churchill's Britain until the French government

recovered from the war. But Japan ousted the French from power in a May 1945 coup. With French Indochina in disarray, Ho Chi Minh's Viet Minh (also known as the League for the Independence of Vietnam) launched the pro-independence August Revolution, which toppled Japanese rule. In September 1945, Ho Chi Minh—leading both the Viet Minh and Indochinese Communist Party movements—declared an independent Vietnam.

- In response to Ho Chi Minh's surprising victory, a joint Franco-British expedition forced the Viet Minh (communist) revolutionaries out of Cochinchina—i.e., the southern half of Vietnam; there, the Viet Minh founded the Democratic Republic of Vietnam in the North, known widely as "North Vietnam." Still, Indochina was firmly—even if unstably—under French control.
- The **First Indochina War** broke out in 1946. In the following eight years, Ho Chi Minh led Vietnamese nationalists in a bloody guerilla-style fight for independence against the French. In 1954, after the fateful Battle of Dien Bien Phu, that dream became reality. The July 1954 Geneva Conference marked the end of French colonial rule in Vietnam and split Vietnam along the 16<sup>th</sup> parallel: a communist-dominated North Vietnam under the Viet Minh's control, and a US-backed South Vietnam.
- The **Second Indochina War** broke out soon thereafter in 1955 between North Vietnam, ruled unilaterally by Ho Chi Minh's Communist Party of Vietnam, and South Vietnam, led by President Ngo Dinh Diem and backed by the United States and its Western Bloc allies. The US greatly escalated its involvement in the war after the Gulf of Tonkin incident; the US left after the 1973 Paris Peace Accords. That treaty failed. By 1975, the North Vietnamese PAVN and Viet Cong emerged victorious after the Fall of Saigon.
  - By 1955, the US recognized the increasing importance of retaining South Vietnam as a capitalist/anticommunist ally. South Vietnamese President Ngo Dinh Diem received military and economic aid from the US and used the influx of training and equipment to crack down harshly on the Viet Cong, or the National Liberation Front of South Vietnam, a pro-communist guerilla militant organization whose military force, the Liberation Army of South Vietnam, coordinated with the communist regime in North Vietnam to combat US influence in the pro-capitalist South Vietnam. As the conflict between the Viet Cong and the Southern Vietnamese military intensified, the US became increasingly involved in the conflict. Upon entering office in 1961, President John F. Kennedy openly endorsed the so-called "Domino Theory," which posited that if South Vietnam were allowed to fall to the communist influence of the North, other Southeast Asian nations, too, would turn towards the Soviets. Under JFK, the US increased its military presence in Vietnam, such that by 1962, over nine-thousand American soldiers were permanently stationed in the nation; economic aid, in addition to military equipment, was provided to South Vietnam, which the Kennedy administration viewed as crucial given the rise of the National Liberation Front, a political coalition within South Vietnam that, despite claiming to be

anti-communist, was widely seen in Washington as conspiring with the North Vietnamese.

- In August of 1964, a fleet of US naval destroyers was allegedly attacked by North Vietnamese torpedo boats; in response, Congress passed the Gulf of Tonkin Resolution Act, which granted then-President Johnson wide authority to expand war operations within Vietnam and the surrounding Indochina peninsula. The US soon began Operation Rolling Thunder, which bombed both North Vietnam and neighboring Laos in an attempt to disrupt and deter the Soviet-backed northern regime and limit their access to vital resources. By 1965, the US felt a stronger need to intervene to prop up the struggling South Vietnamese government, and, with considerable approval amongst the American public, over eighty-two thousand American soldiers were stationed overseas in Vietnam. Subsequently, just several months later, Johnson green-lighted another round of US military forces to be deployed to Vietnam. Under General William Westmoreland, the Western coalition of military forces pursued a war of attrition, aiming to destroy enemy forces rather than take over enemy land. This generated a significant refugee crisis in many parts of Vietnam as areas became “free-fire zones,” yet proved ineffective as the Ho Chi Minh trail enabled a constant inflow of resources into North Vietnam, and backing from the Chinese and Soviets enabled a strong, resurgent Northern Vietnamese military.
- As the US military operations in Vietnam expanded, public resistance to the war grew. In 1965, many liberals and progressives on college campuses organized the leftist organization “Students for a Democratic Society,” which criticized both the aims and means of the American war in Vietnam. By 1967, however, US casualties began to mount, and the necessity to use conscription to deploy more soldiers overseas added political capital to the anti-war movement. In October of 1967, one of the largest-ever anti-war protest marches took place near the Lincoln Memorial in Washington, DC. Civil rights icon Martin Luther King Jr. openly came out against the war effort shortly after. Perhaps most importantly in the anti-war movement, the Vietnam War was the first conflict in American history to be televised, which meant that footage of the brutally bloody war was shown in households all over the country, breaking the veil of rhetoric that many politicians, especially those in the Johnson administration, sought to employ as cover for the war. All of this set the stage for the surprise 1968 Tet Offensive, which had dramatic implications for the American public’s support of US involvement in the Second Indochina War.
- The Tết holiday is an annual celebration within Vietnamese culture of the lunar new year, and, since conflict between the Viet Cong and Southern Vietnamese government had broken out post-1954, had served as an informal ceasefire. In January 1968, however, around when the Tết holiday was traditionally

celebrated—and, more importantly, when many ARVN (South Vietnamese) soldiers were on leave—General Vo Nguyen Giap of North Vietnam launched a coordinated series of surprise, offensive attacks against over one-hundred cities and military outposts throughout South Vietnam. The attack had two broad aims. First, North Vietnamese military officials believed a surprise blitzkrieg into South Vietnam would turn public sentiment against the incumbent government in South Vietnam and prompt a popular uprising in favor of the communists in the North. Second, North Vietnam's politburo believed that an unexpected incursion would reduce America's commitment to extended military operations in the Second Indochina War, thus paving the way for a PAVN full-force expansion into the southern part of the peninsula.

- On midnight of January 30th, 1968, North Vietnamese military forces—known as the People's Army of Vietnam (PAVN)—began an offensive incursion into Southern Vietnamese territory. The attacks were largely a military failure for the North Vietnamese. First, the spread-out nature of the attacks limited their efficacy, since the allied forces present in the South were able to reassign and redeploy units to different targeted areas to halt the joint Viet Cong and PAVN invasion. Thus, the diluted nature of the offensive rendered its outcomes insignificant from the North Vietnamese perspective. Second, the relative ease with which the incursion was stifled wiped out any possibility of popular revolt within South Vietnam. Third, the asymmetric firepower advantage of the South Vietnamese US-backed army was able to repel most of the initial Northern attacks. Finally, the enormous complexity of the incursion made effective coordination between different factions of the politburo's military forces and Southern-based Viet Cong movements difficult, thus resulting in an ineffective military operation.
- The attempted invasion was a military disaster for the North: the casualty totals were so staggering for the invading force that nearly 70% of the Viet Cong's ranks were in need of replacement with traditional infantry units from North Vietnam after the Tet Offensive had concluded. The few territorial gains made by the incursion were short in nature, as backlash from anti-communist South Vietnamese residents and the occupying American military force pushed back the PAVN. Still, while the Tet Offensive failed to satisfy the communist politburo in Hanoi, heavy damage was inflicted on civilian and military targets in South Vietnam. Most importantly, however, the shockingly unanticipated incursion had dramatic effects on domestic American politics.
- The Tet Offensive was a significantly decisive factor in shifting American attitudes towards continued Western involvement in Vietnam in two respects. First, the unanticipated and rapid nature of the Tet Offensive reduced Americans' faith in their military and political leadership, thus decreasing the willingness of Americans to allow for institutions like the draft to continue. Second, the Tet

Offensive exacerbated and contributed greatly to many Americans' concerns about the war in Vietnam being an intractable stalemate—functionally, a “forever war” with no end in sight—which facilitated the anti-war movement's transformation away from leftist, progressive domination towards mainstream support from the public.

- The end of the Vietnam War united all Vietnam under the control of the Communist Party of Vietnam. In 1978, the PAVN invaded Cambodia (see section on Cambodia) and occupied Cambodia until 1989; China briefly invaded, but failed to conquer, Vietnam in response. Vietnam normalized relations with the US in 1995; President Clinton visited Hanoi in 2000. Vietnam joined the WTO in 2007.

## Politics

- The Communist Party of Vietnam is dominant and shows no signs of losing power. **Nguyen Phu Trong** is General Secretary of the Communist Party of Vietnam. He is widely considered the most powerful figure in Vietnam. Trong is ideologically seen as a conservative Marxist-Leninist. He has pursued a hardline anti-corruption agenda.
- **Ho Chi Minh thought** and **Marxist-Leninism** are official state ideology in Vietnam, though the former is poorly codified and a loose substitute for Vietnamese nationalism. Dissent is prohibited in Vietnamese discourse and electoral mechanisms of accountability do not exist.

## Economics

- **1980s Market Reform:** After 1975, Vietnam's economy imploded due to Soviet-style centralized economic management under the CPV (Communist Party of Vietnam). But in 1986, the CPV switched course through the **Doi Moi** (“renovation” or “innovation”), abandoning hardline command economics in favor of socialist-oriented market economics, with hopes of the long-term pursuit of socialism. The Doi Moi economic system succeeded beyond imagination: GDP per capita was just \$422 in 1975 but is \$3700 in 2023. Further reform soon followed: the 1987 Foreign Investment Law eased restrictions on foreign investment; the 1999 Enterprise Law cut back anti-competitive red-tape, allowing the total number of SMEs to increase three times over; decades of so-called *equitization* have partially privatized state-owned enterprises in Vietnam by converting SOEs (which now comprise 30% of national GDP and 23% of national capital) into joint stock companies.
  - **Liberalization:** Vietnam is a member of the WTO (2007), signed a bilateral trade agreement with the US (2001), joined RCEP (2022), signed the UKVFTA with Britain (2020), joined the CPTPP after the TPP collapsed (2021), and signed the EVFTA with the EU (2019). Collectively, intra-ASEAN tariffs are now under 1% and Vietnam's external tariffs have fallen around 89% since 2000.

- **Decoupling:** Western MNCs/TNCs are diversifying supply chains away from China especially since Trump's 2018 tariffs, the CCP's three-year-long "Zero COVID" lockdowns, and Washington–Beijing geopolitical hostilities. Vietnam is likely to benefit: Apple and its manufacturing partner Foxconn are expanding into Vietnam (e.g., \$300M Foxconn factory in Bac Giang and Apple MacBook production in Hai Phong); similar moves have come from Lego (which is building a \$1B factory in Binh Duong, Vietnam), Mazda (which is rerouting automotive supply networks outside China), and Samsung (which ended all production in China, namely in Huizhou, in 2021 and became Vietnam's largest foreign investor). Janet Yellen publicly cited Vietnam as a rising power in the domains of green energy and semiconductor production.
  - **Why Vietnam?** (1) Vietnam is rich in mineral reserves; in fact, Vietnam is ranked as having the world's second-largest untapped reserves of rare earth minerals (especially tungsten), estimated to be 22M tons worth \$3T. (2) Vietnam is becoming core to the global semiconductor supply chain; for instance, Synopsys and Marvell are building semiconductor design centers in Ho Chi Minh City, Amkor (an Arizona-based semiconductor firm) began building a smart factory in the Bac Ninh Province, and Intel has its largest testing facility in Ho Chi Minh City. (3) Vietnam is located near prime logistic hubs since Vietnam is a gateway from Northeast Asia through the South China Sea; Vietnamese firms are participating in joint ventures with foreign firms to expand Vietnam's logistics capabilities (e.g., the \$6.7B Cai Mep Ha Logistics Center in Ba Ria-Vung Tau). (4) Vietnam has exceptional STEM education programs, with Vietnamese students scoring as the fourth-best country in the world on the Program for International Student Assessment (PISA).
- **SOE/Regulatory Corruption:** The campaign against graft is unlikely to work because the CPV's primary aim is to bolster its legitimacy by prosecuting high-profile corruption cases, but avoid the difficult (and uncomfortable) work of rooting out low-level corruption in state bureaucracies.
- **Major Industries:** Services and manufacturing individually account for about 40% of Vietnam's GDP.
  - **Manufacturing:** Manufacturing now contributes more than 20% of the country's GDP but faces problems: (1) Vietnam's labor productivity is shrinking, ranking just 136 out of 185 per McKinsey; industrialization may slow as companies move to Cambodia, Myanmar, and Bangladesh. In Vietnam, meanwhile, the workforce pool willing to work in low-cost manufacturing is shrinking as the country develops. (2) Vietnam's manufacturing sector is large, but the sector captures little value. Vietnam remains low on the global value chain. Onerous regulations on expatriate workers stymies FDI in high-value-added, high-tech industries. (3) Vietnam's unstable regulatory environment and periodic security problems with

terrorists, insurgents, and separatists undermine business confidence (e.g., power outages are frequent).

- **Electricity Generation:** Vietnam's Power Development Plan 8 aims to increase domestic electricity production through renewable technologies to help attract foreign investment; however, the PDP8 inexplicably calls for Vietnam to *double* its use of coal by 2030. Vietnam faces frequent problems with rolling power outages: Samsung, Foxconn, and Canon all reported frequent blackouts, especially in the summer.
- Vietnam is highly impacted by climate change, so air conditioners are putting tremendous strain on Vietnam's electricity supply in the summer. Vietnam also has a large data storage and data processing industry (worth over \$1.2B) which is energy-intensive.
- **Rice Production:** Vietnam is the world's fifth-largest rice producer and second-largest rice exporter; China and India, the top two, comprise over 50% of global rice cultivation. Rice comprises 30% of Vietnam's agricultural production and nearly 8 million hectares of land. Vietnam's southern Mekong River Delta and northern Red River Delta—where the rainfall is plentiful, the climate is humid, and the soil is fertile—are ideal candidates for wet-rice cultivation; furthermore, Vietnamese farmers benefit from government support, e.g., vast networks of dikes, dams, and sluice gates built at the government's behest in the 1970s to increase rice production after the war, e.g., lavish state subsidies up to five-hundred-thousand dong for rice farmers. Approximately half of all Vietnamese workers are employed in agriculture even though agriculture comprises less than 8% of national GDP.
- **Extraction?** Vietnam is resource-rich (in the Mekong delta) but minerals remain under-explored due to limited extractive capacity by Vietnam's SMEs. Currently, coal and petroleum extraction (managed by the behemoth PetroVietnam) account for 9% of GDP and 0.7% of national employment. But Vietnam also has rich troves of bauxite—the third-largest deposits in the world, in fact.
- **Major Exports:** Broadcasting equipment (\$51.1B), telephones (\$25.3B), integrated circuits (\$18.2B), office machine parts (\$11.7B), and textile footwear (\$9.79B), exporting mostly to United States (\$99.3B), China (\$57.8B), South Korea (\$22.6B), Japan (\$21.3B), and Hong Kong (\$12.5B).
- **FDI:** Vietnam benefited from \$27.7B in FDI in 2022, and \$28.8B through November 2023.
- **Vietnam in 2008 GFC:** After the 1997 AFC, Vietnam's economy boomed with annual growth rates eclipsing 7%; still, inflation rates typically hovered around an uncomfortable 8%, trade and fiscal deficits were high, and capital inflows contributed to asset (i.e., land and real estate) bubbles. In this context, the 2008 financial crisis inflicted grave pain on Vietnam's export-reliant and oil-producing economy in three ways. First, as the

economies of US, EU, and Japan imploded, Vietnamese exports fell 25% year-on-year in 2008. Second, foreign investment from Western MNCs declined substantially, with many projects delayed, during the panic of 2008/09. Third, Vietnam's financial markets became turbulent, with the Ho Chi Minh Stock Index falling 66% in 2008 alone. These factors depressed Vietnamese growth by an estimated 2% of GDP.

- **Response:** In early 2008, the State Bank of Vietnam hiked interest rates to 14% to tame inflation and devalued the VND (Vietnamese dong) to boost exports. By September 2008, the SBV cut rates to 7% and lowered refinancing rates even further; concurrently, the central government expanded unemployment insurance to 60% of pre-layoff wages. In December 2008, Vietnam passed a \$6B USD (VND 100 trillion) fiscal stimulus package, equivalent to 6.8% of GDP.
- **Vietnamese Real Estate Crisis:** Backed by Hanoi's strong response to the 2008 GFC, the Vietnamese economy surged, with growth averaging 6% to 7% annually in the following decade. This economic growth spurred significant urbanization (especially to Ho Chi Minh City and Hanoi), with Vietnam's urban population rising by approximately 9% between 2009 and 2019. During this period of booming urbanization, demand for real estate surged. To meet demand (especially for luxury housing), housing developers accumulated large debt burdens.
  - **Crisis Hits:** The COVID pandemic hurt Vietnam's housing market, with home sales falling 50% in Q1/Q2 of 2020 and the supply of new housing shrinking by nearly 20%. Vietnamese property developers, facing severe liquidity constraints, struggled to secure further loans from banks and instead turned to Vietnam's local currency bond market; in Q4 of 2021, for instance, corporate bond issuance increased 30% quarter-on-quarter, with most of those bonds issued by property developers (particularly Thai Son-Long An). Vietnam's property sector soon struggled to refinance for four reasons:
    - **Reason #1—Evergrande:** On December 10, 2021, Evergrande (a Chinese property developer) defaulted. Vietnamese regulators feared a similar property "debt bomb" would explode in Vietnam's over-leveraged property sector. Regulators cracked down on developers' access to credit.
      - **Credit Quotas:** The State Bank of Vietnam tightly regulates domestic banks by assigning *credit growth quotas*, which determines how much banks are allowed to expand lending and investing year-on-year. In 2023, credit growth quotas are around 15% (on average).
    - **Reason #2—Corruption Crackdown:** Trinh Van Quyet, chairman of the real estate developer FLC, was arrested for securities fraud and corruption in March 2022. Months later, Truong My Lan, chairwoman of the real estate firm Van Thinh Phat, was arrested for bond fraud; she was also implicated for shadowy ties to Saigon Commercial Bank (SCB), leading to

a run on SCB. Both arrests triggered panic within Vietnamese bond markets and constricted developers' access to emergency liquidity.

- **Reason #3—Crawling Peg:** Vietnam maintains a crawling peg to the USD. As the Federal Reserve hiked interest rates, the USD appreciated 11.4% in 2022. To maintain the peg, the (central) State Bank of Vietnam was forced to raise interest rates in late 2022. That further hampered access to credit.
- **Reason #4—Decree No. 65:** As stories about shady practices and corruption in the property sector emerged, Vietnamese regulators passed Decree 65 in September 2022, which (i) permitted only "professional investors" to issue, underwrite, and buy corporate bonds and (ii) required firms to only issue special-purpose bonds for financing specific projects or restructuring past debts, rather than generally raising capital.
- **Property Development Crisis:** 235 real estate firms collapsed in the first quarter of 2023, alone. The VN Stock Index fell 36% in 2022, reflecting investors' fears. Vingroup, the country's largest developer, has struggled to refinance past debts. No Va Land, a large developer, has seen its share price fall 80% since its troubles began. Over 1200 construction projects remain incomplete. Foreign real estate firms have swooped in (Singapore's CapitalLand, Japan's Marubeni Corporation, and Malaysia's Gamuda), exploiting their domestic firms' ailments.
- **The Case for Optimism:** Unlike China, the long-term outlook is positive for the property sector. Vietnam's middle class still has considerable room to grow, which will keep housing demand stable in years to come. Furthermore, Vietnam doesn't suffer from China's problems of oversupply and speculation. Housing is less important (as a percentage of GDP) to Vietnam (3.5%) than to China (25%). And the current crackdown is good for business in the long term.

### Strengthening Ties with the US

- After his attendance at the G20 summit in New Delhi, Biden's visit to Vietnam in September 2023 strengthened Washington's bilateral ties with Hanoi. A half-century after America's withdrawal from the Vietnam War, Vietnam's Communist Party leadership upgraded Washington–Hanoi ties to Vietnam's highest level of diplomacy ("comprehensive strategic partnership"), on par with Russia and China, both long standing Vietnamese allies. Since the 1991 renormalization with China, Vietnamese foreign policy has been bound by "four no's:" *no participation in military alliances, no siding with one country against another, no hosting of foreign military bases, and no deployment of force*.
- Relations between Beijing and Hanoi have deteriorated 2014 Haiyang Shiyou 981 oil rig incident: Chinese saber-rattling diplomacy in the South China Sea (home to rich fishing grounds, natural resource deposits, and \$3.3T in global trade), territorial disputes

involving China's artificial island-building, extralegal PLA Navy patrols, and China's bold "Nine Dashed Line" EEZ assertions, and altercations over the Paracel and Spratly Islands have worsened relations.

- Vietnam's BRI skepticism provides further proof: BRI contractors have only built the Cat Linh–Ha Dong tramline but, highlighting national security concerns, Vietnam rejected Chinese financing for the Van Don–Mong Cai highway completed in 2022, halted developments for the North–South railway and the Hanoi–Lao Cai highway, and opted out of Huawei 5G telecommunications projects. For Vietnam, *the US is a valuable counterweight*, especially as Western MNCs (like Apple) shift production to American allies.
- Vietnam's ties with Russia have also come under strain. Moscow's arms contractors have long been Hanoi's primary military suppliers but Putin's invasion of Ukraine has complicated that relationship; for that reason, Hanoi hopes—eventually—to acquire F-16 fighter jets and military radar batteries from the US. Relatedly, blowback from China seems unlikely: Vietnam has hitherto portrayed its deepening ties with the US as strictly economic—a plausible claim, given that the US is Vietnam's largest export market and second-largest trading partner by volume. Additionally, Vietnam's Communist Party General Secretary Nguyễn Phú Trọng has repeatedly met with CCP officials for months to soften the blow.

#### Bamboo Diplomacy: Vietnam's Delicate Act of Balancing and Hedging

- Vietnam will be the *only country in the world* to host both Xi Jinping and Joe Biden in 2023. Vietnam's reluctance to side clearly with China or the US has long-standing historical precedent in Vietnamese history.
  - Ho Chi Minh's 1945 declaration of independence called explicitly for Vietnam to "be friends with every democratic nation." Accordingly, Ho Chi Minh immediately reached out to all major powers—the US, USSR, and PRC—in hopes of pursuing international cooperation.
  - The 1954 Geneva Conference, which partitioned Vietnam along the 16<sup>th</sup> parallel and soon contributed to the Second Indochina War, underscored the critical importance of maintaining diverse ties with a diverse range of partners.
  - The 1986 Doi Moi (literally, "reform") era saw Vietnam's Communist Party Congress stress the importance of expanding foreign ties, even at the expense of communist ideology.
  - The CPV's Resolution Number 13, passed in 1988, emphasized that Vietnam must develop an extended network of international relations; a strong military would not be enough. Pursuant to those ends, Vietnam became an ASEAN member in 1995.
    - Since then, the CPV's Party Congresses have repeatedly clung to these principles. For instance, the 12<sup>th</sup> (2016) and 13<sup>th</sup> (2021) Party Congresses

explicitly underscored multilateralization. This boosts Vietnam's regional profile: other countries, too, fear picking sides.

- Evidence abounds of Vietnam's "multilateralization and diversification" principle. In the last year alone, Vietnam has upgraded relations with the US, China, South Korea, Canada, and Japan.
- **China (Diplomatically) Strikes Back:** In December 2023, China and Vietnam signed a security deal which calls for boosting intelligence cooperation, strengthening anti-terrorism/anti-insurgency collaboration, combating human trafficking and narcotics smuggling, and preventing telecommunications fraud. The deal also established 24/7 hotlines for Vietnam and China to use when tensions arise in the South China Sea.
  - Hanoi and Beijing released a sixteen-page explanation of their security integration. Both countries cite fears of anti-communist "color revolutions" inspired by meddling Western militaries.

## Vietnamese Culture

- Poetry
  - **Nguyen Du** is one of Vietnam's most cherished poets. His childhood was defined by tragedy: his parents died when he was twelve years old and his brother perished soon thereafter in the Tay Son revolt. Though he longed for solitude in the secluded rice fields of Nghi Xuan, he traveled extensively on behalf of the Nguyen dynasty. On his travels to China, he wrote two literary masterpieces, *Travels in the North* and *The Tale of Kieu*, which remain widely read to this day.
  - **Ho Xuan Huong** gained popularity in the age of *ca tru* singing ("tally songs"), a unique Vietnamese song-style borne from an era of political instability. Ho Xuan Hong mesmerized audiences with her prosodic impatience for men's arrogance and hubris. She has since become known as the "Queen of Nom Poetry" and is considered by some to be a trailblazing Vietnamese feminist. For instance, one verse from her poem "On Sharing a Husband" reads: "Screw the fate that makes you share a man / One cuddles under cotton blankets; the other's cold / Every now and then, well, maybe or maybe not / Once or twice a month, oh, it's like nothing / You try to stick to it like a fly on rice / But the rice is rotten / You slave like the maid, but without pay / If I had known how it would go / I think I would have lived alone."
  - **Nguyen Cong Tru** began his career as a military general but retired in 1848 to live quietly in a Buddhist temple. His poetry brimmed with optimism, though little of his work remains.

## East Timor

### History

- East Timor was governed as a Portuguese colony under its independence in 1975. Months later, Indonesia invaded and annexed East Timor. Sovereignty came once more in 1999, when a UN-sponsored referendum showed strong support for independence from Indonesian occupation; the United Nations Transitional Administration in East Timor (UNTAET) subsequently administered the country until 2002.
- Indonesia and East Timor have since normalized relations; Indonesia now supports East Timor's accession into ASEAN.

### Economy

- East Timor is classified as a least-developed country (LDC); East Timor's economic conditions may deteriorate in coming years since the country's final hydrocarbon field (the Bayu-Undan hydrocarbon field) will soon be depleted, and Australia lays claim to oil reserves in the Timor Sea. However, East Timor has stockpiled wealth through the Timor-Leste Petroleum Fund, worth an estimated \$18B. The TLPF constitutes the source of over three-fourths of government spending.
- East Timor is dollarized. Diversified investments into non-oil fields will help East Timor's economy grow in coming years, especially given the construction of a fiber-optic cable network to Australia.

### Politics

- The center-left National Congress for Timorese Reconstruction (CNRT) governs the country under President José Ramos-Horta and Prime Minister Xanana Gusmão, a former resistance leader. The CNRT won the May 2023 elections comfortably; the political climate is largely stable.
- All major parties in East Timor hope to develop the Greater Sunrise hydrocarbon fields in conjunction with Australia's Woodside Energy. Australia may eventually relent: a failed state on its border serves no good. East Timor's state-owned oil company is Timor GAP.

### Geopolitics

- Timor's primary ally is Australia, given its shared maritime border. East Timor is not an official member in ASEAN and hopes to accede by 2025.

## **Thailand**

### History

- In 1932, a constitutional monarchy came to power in Thailand (then called Siam) after a bloodless revolution. That regime fell, divided, after Japan's invasion in 1941. After the war, a military coup in 1947 toppled the Thai government and ruled Thailand until 1973. Throughout that period, Thailand was an active US ally and participant in SEATO (the Southeast Asia Treaty Organization); the US covertly staged military strikes during both the Korean and Vietnam Wars from Thai territory. Military rule was repressive,

infamously epitomized in the October 6, 1976 massacre of leftist university students by right-wing paramilitants.

- Thailand has experienced a successive wave of *twelve* military coups since the 1930s. A 1973 uprising led by university students led to temporary democratization; that democracy quickly collapsed following a bloody military coup in 1976, which itself fell to another coup in 1977. Another coup came in 1981 in the midst of Thailand's fight against communist insurgents. Under Prime Minister Prem Tinsulanonda, Thailand experienced several years of relative stability and spectacular economic growth. His departure from government led to poor rule; Suchinda Kraprayoon led yet another coup in 1991. The brutality of the subsequent junta led to mass protests and blood-spattered crackdowns in the “Black May” of 1992. In October 1997, Thailand enacted a new constitution which marked a turning point in Thailand's long history of democratic reform, with both houses of parliament elected by the public.

### Politics

- With the 1997 constitutional reforms in place, fully democratic elections were held in 2001. The Thai Rak Thai Party, led by former police lieutenant colonel Thaksin Shinawatra, won. Thaksin Shinawatra became Prime Minister. With Thailand still recovering from the Asian Financial Crisis and IMF structural adjustment, Shinawatra's administration soared in popularity. He launched a (widely popular) war on drugs in which over 2500 were extrajudicially killed. The One Tambon One Product encouraged widespread entrepreneurship. Shinawatra deployed a crushing military force against separatist insurgents in Thailand's southern (and largely Muslim) Pattani Region. Shinawatra's 30-baht health care scheme extended healthcare coverage to every citizen in the country. With Thailand's economy recovering healthily from the '97 AFC, the TRT (Thai Rak Thai) Party dominated Thailand's 2005 elections, winning over 60% of the vote.
  - Shinawatra was particularly popular amongst the rural poor for his anti-elite/anti-Bangkok attitude and his “Thaksinomics” economic policies, which included a moratorium on debt payments for farmers, state-funded loans to agricultural SMEs, fuel and electricity subsidies, universal healthcare, cultivation of rural entrepreneurship, and \$50B investments into transportation infrastructure.
- Yet Shinawatra grew controversial with time. He governed the country in “CEO-style” fashion; in doing so, he silenced dissent, curtailed media freedoms, centralized personalist authority, and stripped away judicial checks and balances. Shinawatra's rule was characterized by broad restrictions on human rights. The breaking point came in January 2006, when Shinawatra sold—for nearly \$1.88B USD—his stake in ShinCorp, a large Thai telecommunications holding company. The move begot accusations of corruption since (i) Shinawatra's company was sold to a foreign Singaporean firm, potentially in violation of the 1999 Foreign Business Act, (ii) the Thai

Telecommunication Act had just recently passed to authorize the PM's sale of his stakes, and (iii) the deal was exempt from capital gains taxes despite raking in billions for Shinawatra's family.

- Under intense pressure from urban protesters, Shinawatra agreed to hold snap elections in April 2006, which the opposition boycotted. Irregularities led to the first election's nullification; the re-election was scheduled for October 2006. In September 2006, the military staged a bloodless coup and forced Thaksin Shinawatra out of the country; he was later tried *in absentia* on charges of corruption and abuse of power. Abroad, Thaksin Shinawatra formed the People's Power Party (PPP) which was later rebranded as the Pheu Thai Party (PTP). Political crises and mass protests paralyzed Thai politics for years under *de facto* military rule. With violence on the rise, the military staged yet another coup in 2014 under Prayut Chan-o-cha.
- The junta eventually relented to protests for democracy and elections were held in 2019; Prayut Chan-o-cha retained power as Prime Minister, partially thanks to unfair electoral conditions slanted against the opposition. Further elections were held in May 2023. The progressive Move Forward Party, which is anti-junta and caters to youth voters, became the largest party in the Thai House of Representatives with 36% of the vote. The populist, Thaksin-backed PTP came in second. When the PTP and MFP attempted to form a governing coalition, the junta-dominated Constitutional Court (empowered by the junta-drafted 2017 constitution) blocked their anti-royalist/military coalition from naming a Prime Minister. Instead, the PTP opted to ally with nine royalist–military parties and install Srettha Thavisin as Prime Minister. In August 2023, Thaksin returned to the country. He was promptly arrested and is now in the luxury wing of a Thai prison. A royal pardon reduced his sentence to just one year, which he is spending in a hospital, claiming heart disease.

### Economy

- Thailand is SEA's second-largest economy, trailing only Indonesia. The Thai economy is export-driven (e.g., automobiles, machinery, and electronics manufacturing) but also relies heavily on tourism. The limited supply of skilled labor problematizes FDI into Thailand; still, de-risking from China might be good for Thailand. Thailand is currently negotiating a FTA with the European Union.
- Political instability and military coups may undermine growth. The Move Forward Party may be dissolved by the Constitutional Court because the MFP called for repealing Thailand's lese-majesty law, which criminalizes any critical speech against the monarch. The current coalition is fractious even with 314 seats out of 500 seats: PTP "redshirt" supporters oppose the military and are disillusioned with the current coalition, which includes the military-linked Phalang Pracharat (PP) and United Thai Nation (UTN).

### Geopolitics

- Thai–EU relations are warming; the two resumed FTA talks in September 2023. Still, the West is uncomfortable with Thailand’s anti-democratic behaviors; dissolving the MFP would worsen this discomfort. But the West’s fear of alienating Thailand into China’s sphere of influence dissuades retaliation from Western ideologues.
- Chinese firms invest heavily in Thai SEZs (namely, the Eastern Economic Corridor in Bangkok and the Southern Economic Corridor which links the Andaman Sea and the Gulf of Thailand).
- The PTP-led government is implicitly supportive of Myanmar’s junta; the military regime in Bangkok has broadly backed the junta.

## **Indonesia**

### History

- Indonesia’s declaration of independence from the Dutch came in August 1945, but four further years of military struggle, led by Sukarno’s nationalist movement, were needed to secure independence. After years of unstable parliamentary governance, Sukarno (pronounced “soo-car-no”) established the autocratic “Guided Democracy” in 1959. But inflation rates consistently exceeded 1000% and Sukarno, a shameless autocrat, grew unpopular. Junior military officers launched a military coup in September 1965; though the coup failed, Major General Suharto of the Indonesian military led a slaughtering crackdown on communists, who Suharto suspected of plotting the coup. By 1967, Suharto had seized all presidential power from Sukarno.
- Suharto led Indonesia’s “New Order” as a military dictator with centralized authority; while his regime was wildly corrupt, Suharto’s vociferous anti-communism earned him backing from the West, which helped fuel Indonesia’s rapid industrialization and economic development.
- The 1997 Asian Financial Crisis decimated Indonesia’s export-driven economy; with protests flooding the streets, Suharto was forced to step down from power in May of 1998. His political dominance shielded him from corruption-related prosecution. Since then, Indonesia’s political system has shifted towards a free, multiparty democracy.

### Politics

- The center-left Indonesian Democratic Party of Struggle (PDI-P) has governed Indonesia since its 2014 elections. President Joko Widodo, often called Jokowi, is a member of the PDI-P, which emerged from the resistance movement against Suharto’s New Order military-authoritarian regime. Corruption remains rampant within the Indonesian political and judicial system. Jakarta’s politics feature an unusual norm of including opposition parties in the administration, potentially slowing policy-making.
- Presidential elections will be held in February 2024. Prabowo Subianto, Indonesia’s current Defense Minister, is the likely successor. Violence followed the 2019 election (which Widodo won) and may occur again in 2024.

- The PDI-P is expected to fare well in February's elections: inflation and energy prices are on the decline and the PDI-P's patronage networks are well-established.

### Economics

- Indonesia is ASEAN's largest and most populous economy. Indonesia relies heavily on exporting raw commodities, especially coal and palm oil. Indonesia is transitioning into electronics manufacturing, with a particular focus on producing batteries for EVs. Indonesia's currency, the rupiah, is weak. Indonesia suffers from widespread corruption, a largely unskilled workforce, and an inefficient bureaucracy.

### Geopolitics

- Indonesia maintains neutrality and non-alignment with either China or the US, but seeks deeper integration with ASEAN; relations between Indonesia and Malaysia are improving after the two countries signed an agreement to end territorial disagreements back in June 2023.
- Indonesia and Malaysia are unified in their opposition to the EU's controversial deforestation law, which they view as discriminatory against their palm oil exports. Indonesia is also strengthening its ties with Australia as both countries play leading roles in the green transition: Indonesia has significant nickel reserves and Australia has significant lithium reserves.
- Indonesia's largest bilateral trading partner is China; Indonesia continues to engage diplomatically and economically with Russia and is neutral on the Ukraine war. Indonesia aims to court investment from the West, but its new criminal code, dubbed KUHP, may complicate the West's support for the once-moderate influence of Islam on Jakarta (given that KUHP criminalizes extramarital sex, prohibits criticism of the government, and penalizes "fake news").

## Laos

### Politics

- Laos re-achieved independence from French Indochina in 1954. The following year, civil war broke out in Laos between the Communist Pathet Lao (backed by North Vietnam) and the Royal Lao Government (backed by the CIA). After beating the royalists and assuming control of all of Laos in 1975, the Lao People's Revolutionary Party (LPRP) established a single-party communist government. Initially, the LPRP governed Laos as a Soviet-style command economy but transitioned towards a mixed-market economy in the 1980s in the age of Deng Xiaoping.
- There is limited opposition to the LPRP; dissent is prohibited and media is largely controlled by the state. Thongloun Sisoulith is the current General Secretary of the Revolutionary Party, the most powerful position in Laos's government. Dissent is strictly illegal; crackdowns have intensified throughout 2023.

## Economics

- Laos is facing a spiraling debt crisis: years of borrowing from China has finally caught up and debts are now coming due. Laos is struggling to pay the bills (public debt now exceeds 120% of GDP), especially since the Laotian Kip is weak, but China is likely to reach a behind-the-scenes deal to defer payments.
- Laos is a resource economy, generating significant revenue through the export of electricity through its hydropower networks. Laos is also heavily dependent on mining and forestry for income. Laos has abundant low-cost unskilled labor and may benefit as MNCs relocate out of China and pivot to Laos for labor-intensive light manufacturing.
- Facing intense sovereign debt challenges, Laos is pursuing (i) fiscal consolidation, (ii) SOE reform, and (iii) a top-down anti-corruption campaign intended to boost the LPRP's faith with elites.

## Geopolitics

- Laos will be ASEAN's Chair in 2024. Laos is consistently a pro-China voice within international forums, largely because Laos and China share deep historical, cultural, and political ties dating back centuries, and Laos has no territorial disputes with the PRC (after all, Laos is land-locked); further, China is Laos's largest investor and creditor.
- Laos also has strong ties to Vietnam; both are single-party communist states with military relations dating back to the 1950s. Cambodia, too, is a close ally.
- Thailand is Laos's largest trade partner; Laos exports significant amounts of electricity to Thailand. Moreover, many Lao migrant workers leave Laos for Thailand and send remittances home.
- Laos has been fully silent on the war in Ukraine and continues to participate in joint military exercises with Russia; this warmth to Moscow has strained Laos–Western relations.

## Malaysia

### History

- Japan's wartime invasion ended British Malay, but after WWII, Malay was reorganized into the Federation of Malaya as a British protectorate. A multi-year anti-communist insurgency (called the “Malayan Emergency” by the British military) saw British and Malaysian forces fight against the Malayan Communist Party; Britain used scorched-earth tactics, including use of the Agent Orange herbicide.
- In 1957, Malaysia secured its independence from Britain, and by 1960, the communist insurgents retreated to the border region between Malaysia and Thailand. Six years later, Malaysia united briefly with Singapore, North Borneo, and Sarawak; race riots in Singapore (majority ethnic Chinese) against Malaysia's Malay ethnic group led to Singapore's expulsion in 1965.

## Politics

- Malaysia's national bicameral parliament consists of an upper and lower house. A majority of seats in the upper house, the Dewan Negara, are appointed by Malaysia's Agong (king). In the lower house, the Dewan Rakyat, all seats are directly elected (single-member districts using first-past-the-post voting systems). Malaysia has three major coalitions:
  - Pakatan Harapan (PH): A center-left coalition most famous for kicking BN out of power in 2018 after sixty uninterrupted years. PH is led by Anwar Ibrahim.
  - Barisan Nasional (BN): A right-wing coalition that governed Malaysia from roughly 1957 to 2018. BN is led by Ahmad Zahid Hamidi.
  - Perikatan Nasional (PN): A center-right coalition led by Muhyiddin Yassin.
- Malaysia's 2018 elections delivered a shocking defeat to the Barisan Nasional coalition; the PH coalition won a simple majority in parliament. Mahathir Mohamad of the Malaysian United Indigenous Party (which was then included in the PH coalition) became Prime Minister.
  - BN stayed in power through quasi-anti-democratic tactics. The BN gerrymandered national districts to consolidate many opposition districts into singular districts, and made sure that rural areas (which tend to vote pro-BN) were given disproportionate influence. BN engaged in vote-buying and co-opted large Malaysian employers, like DRB-HICOM, to conditionalize higher wages and more generous pensions on support for BN parties. BN enhanced its power through corruption, like in the 1MDB scandal, in which Malaysian kleptocrats like Najib Razak used shell companies and off-shore bank accounts to embezzle \$700M from Malaysia's sovereign wealth fund.
  - By February 2020, the PH governing coalition was in shambles. As COVID-19 set in by late January, Malaysia faced widespread political instability following lockdown orders, a sharp devaluation in the ringgit, and forced shut-downs of local bazaar markets. In the resulting chaos, Prime Minister Mahathir Mohamad, then ninety-four years old, refused to move forward on his prior promise to transition power to a new prime minister (which was supposed to be Anwar Ibrahim). Consequently, several MPs switched parties (known as the "Sheraton Move"), causing the PH coalition to lose its majority. Mahathir resigned, and the PN coalition rose to power, led by Prime Minister Muhyiddin Yassin. Still, COVID wreaked havoc on the new coalition (particularly after the Malaysian parliament declared a state of emergency to limit the pandemic's spread), and just seventeen months later, in August 2021, Muhyiddin and his cabinet resigned. Ismail Sabri Yaakob took over as Prime Minister.
- In November 2022, a federal snap election was held, even though many state legislative assemblies, such as in the Sabah state, had already held local elections. For the first time

in Malaysia's history, 18–20 year olds were allowed to vote, and all eligible voters were automatically registered, which expanded the total voter base by around six million people. The election resulted in a hung parliament, with no party gaining the 112 seats needed to earn a majority. A unity government was proposed, led by PH's Anwar Ibrahim as Prime Minister, with PN the main (and only) opposition party.

### Economics

- Malaysia's New Industrial Master Plan 2030 aims to diversify Malaysia's economy and grow SMEs. Malaysia is a leading force in international Islamic finance. Malaysia's economy is quite diverse, exporting natural resources (e.g., crude oil) and finished manufactured goods (e.g., electronics). Malaysia's government is currently pursuing fiscal consolidation.

### Geopolitics

- Malaysia's largest trading partner is China, yet Malaysia relies heavily on the US for regional security. As such, Malaysia remains committed to non-alignment.
- For instance, Malaysia participates in both China's Belt and Road Initiative and in the US' Indo-Pacific Economic Framework. And while Malaysia publicly dislikes AUKUS, Malaysia has also deepened security integration with the US since 2021—but also participates in joint training exercises with the Chinese military.

## **Philippines**

### History

- The Philippines was twice colonized: once by the Spanish, and then by the Americans. In 1946, the Philippines secured independence from US President Truman. Although the US demanded special economic status and military access, the Philippines still managed to form a healthy multi-party democracy. The Philippines quickly was confronted with the Hukbalahap communist insurgency in the Philippine island of Luzon.
- In 1965, Ferdinand Marcos won the national Presidential election and became the Philippines' tenth president; his administration pursued industrialization and mass construction of infrastructure. Marcos spent heavily during his reelection campaign in 1969, dragging the country into a balance of payments crisis in which IMF assistance was needed; the resulting structural adjustment and corresponding inflation caused mass protests. As riots (broadly led by leftists and student activists) consumed the country in 1970, rumors broke out that military officers were planning a coup against Marcos. Stability further deteriorated in August 1971 (when alleged communists lobbed grenades at a political rally at the Plaza Miranda), July 1972 (when the MV Karagatan incident occurred), and September 1972 (when Defense Minister Juan Ponce Enrile was allegedly ambushed).

- President Ferdinand Marcos declared martial law in September 1972; he soon came to rule as a strongman dictator. Mass murder and torture were common under Marcos's authoritarian regime. While economic growth quadrupled between 1972 and 1980, the national debt burden soared, as did unemployment, corruption, emigration, and malnutrition.
- In 1983, notable opposition leader Benigno "Ninoy" Aquino Jr. was assassinated after returning home from a three-year self-imposed exile in the US. In the 1986 elections, his wife, Corazon Aquino, gained national support but fraud denied her victory. The nonviolent EDSA Revolution broke out on the streets, with two million protesters calling for Marcos to step down and let his rightfully-elected opponent win. Under pressure, Marcos fled the country and Corazon Aquino became President. Since then, the Philippines has remained democratic, albeit scarred by corruption (e.g., the Hello Garcí scandal), authoritarianism (e.g., President Joseph Estrada was accused of corruption and forced out of office after an impeachment effort stalled), violence (e.g., the ongoing war against the Moro Islamic Liberation Front and the Abu Sayyaf Islamist movement), and poverty (e.g., the 1997 AFC).

### Politics

- In 2016, former Davao City mayor and right-wing populist Rodrigo Duterte won the national Presidential election. He implemented a fatal anti-drug crackdown which killed thousands, usually extrajudicially. He also green-lit the 2017 Siege of Marawi, which routed IS militants and killed the jihadist leader Isnilon Hapilon.
- In 2022, Bongbong Marcos—son of Ferdinand Marcos—won the Philippine national Presidential election in a crushing landslide; Marcos was previously ordered by US courts to pay damages for his abuses during his father's totalitarian regime. Yet Marcos' campaign emphasized historical negationism, downplaying the abuses and graft scandals of his father's regime.
- Bongbong faces three risks: a military coup (unlikely), limited political support due to economic slowdowns and inflation, and economic retaliation from China.

### Economics

- The Philippines, a middle-income country, has a vibrant consumer market, which comprises the majority of GDP. Important exports include electronic components and outsourcing services. Exports will grow in 2024, as interest rates decline worldwide.
- The Philippines depends on overseas remittances, so changing conditions in the US, Middle East, and East Asia can hurt the Philippine economy.
- China remains the Philippines' largest trading partner; that may change as China pursues retaliatory trade measures as the Philippines strengthens economic and political relations with the US, Japan, and Australia.

- President Bongbong Marcos supports an eight-point socioeconomic agenda which aims to bolster food security, increase green jobs, improve bureaucratic efficiency, uphold security, and strengthen market competition.
- The proposed Maharlika Investment Fund was suspended in October 2023; this is emblematic of the President's struggles to pass legislation.

### Geopolitics

- In 2014, the Philippines and the US signed the Enhanced Defense Cooperation Agreement, authorizing US military forces to return to Philippine bases.
- The Philippines faces internal security threats: instability in the Bangsamoro region of Mindanao from the MILF and terrorist violence in Marawi (also in Mindanao).
- Manila–Beijing relations have soured since the December 10 head-on collision between Chinese and Philippine naval vessels. While Duterte warmed up to China, President Marcos is siding with the US, expanding the Enhanced Defense Cooperation Agreement in early 2023 such that US forces can be stationed on nine Philippine naval bases. Biden has offered an “ironclad” security guarantee to the Philippines. The Philippines recently purchased Mitsubishi-manufactured Japanese radar to help track Chinese vessels.
- The Philippines refuses to re-join the ICC, which demanded an investigation into Duterte’s drug war.

### Singapore

#### History

- Britain colonized Singapore in the early 19<sup>th</sup> century; independence came after WWII. In 1963, Singapore joined a federation with Malaysia which quickly fell apart after extensive race riots and Singaporean Chinese dissatisfaction with Malaysia’s favoritism for the Malay ethnicity—especially since Malaysia was, at the time, governed by the right-wing Malay-nationalist United Malays National Organization under the command of PM Tunku Abdul Rahman.
- Newly independent in 1965, Singapore under benevolent dictator Lee Kuan Yew (Secretary General of the People’s Action Party) experienced successive decades of explosive economic growth. How did he accomplish this? LKY was authoritarian but pragmatic. He strengthened Singaporean institutions, purged corruption from the bureaucracy,<sup>1</sup> concentrated state resources on constructing infrastructure and building housing, upskilled Singapore’s workforce through investments in education, and harnessed Singapore’s strategic location as a trade intermediary harboring key ports. Liberalization and immigration helped Singapore become a dynamic manufacturing and

---

<sup>1</sup> Lee Kuan Yew once said: “Why does this island survive? Why does it attract banks, computer software, financial services, information services, and manufacturing, in preference to so many countries better endowed with natural resources, manpower, and markets? Any traveler knows that, because from the moment you hit the airport to the time you get into the taxi, you travel on the road, you know the difference, whether a place works on rules or it bends the rules.”

financial powerhouse. Key industries—namely, shipbuilding, electronics, banking—received extensive state financing from Singaporean state-owned banks. Singapore amassed financial resources through its compulsory savings system, the Central Provident Fund.

### Economics and Politics

- Singapore is one of the richest countries in the world, let alone Asia. Singapore's economy is remarkably diversified. Singapore's banking sector manages around \$2T USD, but is less powerful than Hong Kong's banking sector given the latter's greater proximity to Chinese financial institutions.
- The People's Action Party is dominant and unlikely to lose power; however, its primary voting base is older and fears opposition parties will capitalize on youth voters, which is why the PAP decriminalized same-sex sex in 2022. Strict laws on censorship keep dissent limited.
  - The PAP is undergoing its “4G” transition (i.e., to fourth-generation leadership). Lee Hsien Loong is the current PM and has been General Secretary of the PAP since 2004.

### Geopolitics

- Singapore aims for Southeast Asia's open and multilateral trade environment to remain open. In particular, Singapore—lacking natural resources—relies on its ASEAN neighbors for (low-carbon) energy imports.
- To these ends, Singapore remains largely neutral in an age of increasing US–China competition. Singapore may need the US for defensive purposes and China for economic purposes.

## Australia

### Politics

- Australia features (partial) federal devolution of power to New South Wales, Queensland, South Australia, Tasmania, Victoria, and Western Australia; the federal commonwealth government is based in Canberra. In May 2022, the center-left Labor Party, led by (now-PM) Anthony Albanese, defeated the incumbent center-right Liberal-National Coalition, which had been in power since 2013. Australia's two major parties are Labor (center-left) and Liberal (center-right); Greens and crossbench independents facilitate government formation.
- The Liberals have suffered from recent scandals including corruption inquiries (e.g., a secret affair between two Liberal MPs who corruptly gave benefits to each other's districts), pork barrel controversies, the historic unpopularity of former PM Scott Morrison, and Robodebt (a flawed automated debt assessment system). Australia is a member of AUKUS (US, Australia, and UK) and the Quad (US, India, Japan, and

Australia). Acquiring UK-designed US-technology Australia-manufactured nuclear-powered submarines will strengthen defense integration between AUKUS members. Australia is likely to sign a defense pact with Papua New Guinea in 2023, countering China's regional rise (e.g., China's pact with the Solomon Islands).

- **Aboriginal History:** Aboriginal, Indigenous, and Torres Strait Islanders (3% of the current Australian population) have inhabited Australia for over 60,000 years but faced centuries of brutal oppression and genocide: the Frontier Wars massacred hundreds of thousands (as did European diseases like smallpox, measles, and tuberculosis), Britain's colonial forces, religious missionaries, and penal colonies dispossessed indigenous communities of their land, and as many as one in every three Aboriginal children (the "Stolen Generations") were forcibly taken from their homes (later publicized through the 1997 *Bringing Them Home* report); in 2008, Australia officially issued an apology. Yet discrimination persists. Aboriginal peoples live on average 10 fewer years than non-Aboriginal peoples, are 15 times more likely imprisoned (24 times more likely for children), and face higher risks of substance abuse, mental illness, unemployment, and homelessness. Aboriginal women are 3 times more likely to face sexual violence than non-Aboriginal women. Social discrimination, over-policing, and wage inequalities endure. May 26 is National Sorry Day and NAIDOC Week (National Aborigines' and Islanders' Day Observance Committee) is held every July.

### Economy

- Australia is a highly developed economy with a well-regulated market environment (large companies include BHP and CSL), well-capitalized financial system (e.g., Westpac and Commonwealth Bank) with internationally accredited exchanges (e.g., the Australian Securities Exchange), and abundant natural resources (especially coal, bauxite, LNG, uranium, and iron). The tertiary/service sector employs 75% of Australians and contributes to 70% of GDP. China is Australia's largest trade partner, both by imports and exports.

## ASEAN

### Importance

- ASEAN is well-positioned at the heart of Asia's geo-strategically significant Indo-Pacific region. Trillions of dollars of global trade pass through ASEAN waters. Over 600M people live in ASEAN countries. ASEAN is already the world's fifth-largest economy and the Association's cumulative economy has, on average, grown by 5% annually in the last two decades. As ASEAN economies rise up the global value chain and ASEAN countries develop burgeoning middle classes, Southeast Asia will constitute an increasingly important consumer market.

### Historical Background

- Southeast Asian History: For centuries, Western empires (particularly Portugal, Spain, the Netherlands, England, France and the United States) marched across Asia. Colonial rule forced Southeast Asian countries to refocus their economies towards resource extraction (particularly rubber, tin, copper, and oil). Indirect rule and divide-and-rule politics intensified social, political, and economic inequalities between privileged ethnic groups (e.g., Malay in British Malaya, Javanese in the Dutch East Indies) and subjugated ethnic groups. Japanese occupation during WWII accelerated nationalist movements within Southeast Asia. The Philippines became independent in 1946, Myanmar in 1948, Indonesia in 1949, Vietnam in 1954, Malaya in 1957, Brunei in 1984.
  - After independence, SEA countries faced the problems of post-colonial reconstruction, communist insurgencies (e.g., in Indochina, Malaysia, the Philippines, and Indonesia), border disputes (e.g., the North Borneo dispute between the Philippines and Cambodia, Cambodia's border disputes and subsequent war with Vietnam), great power intervention (e.g., US and USSR involvement in Vietnam, Cambodia, Laos, and Thailand), and pervasive poverty and inequality.
  - Facing intense security and economic crises, military authoritarianism arose in most Southeast Asian countries (e.g., Thailand's successive military governments, Ne Win's military junta in Myanmar, Ferdinand Marcos' authoritarian rule in the Philippines, the CPV's single-party rule in Vietnam, and Hun Sen's political control in Cambodia).
    - The US' bloody involvement in Vietnam signaled the grave consequences of outright alignment; most countries feared aligning outright with the US or Soviet Union.
- Precursors to ASEAN Regionalism: The US launched the anti-communist Southeast Asia Treaty Organisation (SEATO), a regional security pact, but only the Philippines and Thailand signed on. Maphilindo was a proposed defensive coordination pact between Malaysia, the Philippines, and Indonesia, but the proposal failed. Progress came in the form of the Association of Southeast Asia (ASA), which included Thailand, Malaya, and the Philippines. The ASA's sole accomplishments were establishing peaceful communication channels and outlining tentative organizational infrastructure for multilateral bodies in Southeast Asia.
- ASEAN's Formation: ASEAN was founded in 1967, when Indonesia, Malaysia, Philippines, Singapore, and Thailand signed the Bangkok Declaration on August 8<sup>th</sup>, 1967. The declaration codified ASEAN's core principles: *co-operation, amity, and non-interference*. At the time, anti-communist sentiment drove ASEAN's founders together and likely played a significant role in the Association's formation. The February 1976 Treaty of Amity and Cooperation further clarified ASEAN's guiding principles:
  - “a. mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations... b. the right of every State to

lead its national existence free from external interference, subversion or coercion... c. non-interference in the internal affairs of one another... d. settlement of differences or disputes by peaceful means... e. renunciation of the threat or use of force, and... f. effective co-operation among themselves.”

- Early Initiatives:

- ZOPFAN: ASEAN’s 1971 Zone of Peace, Freedom and Neutrality (ZOPFAN) emphasized the importance of regional peace and called for non-interference by outside powers.
- TAC: At the first-ever Bali Summit, ASEAN’s 1976 Treaty of Amity and Cooperation (TAC) outlined the group’s core principles, set the groundwork for future members to accede to the Association, and placed greater focus within ASEAN on economic development beyond security concerns.
- Vietnam’s Invasion: In 1978, Vietnam invaded neighboring Cambodia; China invaded Vietnam the following year. ASEAN condemned both invasions as violations of sovereignty and emphasized non-interference.
- SEANWFZ: In 1995, ASEAN adopted the Southeast Asian Nuclear-Weapon-Free Zone Treaty, which obliges ASEAN members to not develop nuclear weapons.

### Organizational Structure and Doctrine

- The ASEAN Way: ASEAN emphasizes contact and confidence-building to downplay conflict between members. ASEAN is a bottom-up, rather than top-down, organization and most ASEAN discussions are informal. ASEAN emphasizes non-interference, amity, and collective consensus-based decision making. The ASEAN Way allows ASEAN to accommodate tremendous diversity within its members, but stifles integration since every country wields *de facto* veto power. One scholar writes that the ASEAN Way has two characteristics: “First, it emphasizes decision-making through informal consultation among diplomats, which facilitates group consensus at official meetings. Second, it is a series of six behavioral principles set forth in the 1976 Treaty of Amity and Cooperation: (1) respect for state sovereignty; (2) freedom from external interference; (3) noninterference in internal affairs; (4) peaceful dispute settlement; (5) renunciation of the use of force; and (6) cooperation. Of these, member states particularly emphasize noninterference in each other’s internal affairs.”
- ASEAN Centrality: ASEAN fashions itself as a leading force in Southeast Asia—the architect of the Asia-Pacific region. Reality may betray these high hopes: ASEAN has consistently struggled to mount compelling region-wide responses to major crises (e.g., South China Sea flashpoints, the 1997 Asian Financial Crisis, or the 2021 Myanmar coup).

- Regional Connections: ASEAN +3 includes China, Japan, and South Korea. ASEAN +6 includes China, Japan, South Korea, Australia, New Zealand, and India.
- ASEAN, Divided:
  - Colonialism: Vietnam, Laos, and Cambodia were French colonies. Myanmar, Malaysia, Singapore, and Brunei were British colonies. Indonesia was a Dutch colony. The Philippines was a Spanish colony. East Timor was a Portuguese colony. Thailand avoided colonization.
  - Politics: Myanmar is a military junta. Brunei is an absolute monarchy. Cambodia, Laos, and Vietnam are single-party regimes; Singapore is governed by *de facto* single-party rule. Thailand is a military-dominated pseudo-democracy. The Philippines, Indonesia, and Malaysia are democracies.
  - Geopolitics: Some countries (e.g., Cambodia and Laos) are close with China while others (e.g., the Philippines) are tightly linked with the US. Most ASEAN members are now playing a balancing act.
  - Culture: Four major religions dominate ASEAN: Buddhism, Hinduism, Islam and Christianity. Dozens of ethnicities—including the Malays, Mons, Shans, Karens, Chins, Burmans, Khmers, Laos and Thais—live in the region. For instance, Indonesia is 90% Muslim, the Philippines is 80% Roman Catholic, and Thailand is 95% Buddhist.
  - Economics: The standard deviation in average incomes within ASEAN member states is seven times that of the EU's member states. Indonesia, a member of the Group of Twenty, comprises 40% of ASEAN's output. Myanmar is an LDC with weak institutions, porous governance, and slow economic growth. Singapore's per-capita GDP is thirty times higher than that of Laos and fifty times higher than that of Cambodia.
- Structure: Leaders convene at the ASEAN Summit twice a year. ASEAN also has ministry-level meetings (e.g., the ASEAN Defence Ministers Meeting, the ASEAN Economic Ministers Meeting, and the ASEAN Transport Ministers Meeting). ASEAN's chair rotates each year; the chair sets the agenda.
- Barriers to Integration: (1) ASEAN's ten member states are highly diverse; integration is difficult in such a disparate region. (2) The ASEAN Way precludes integration: the emphasis on unanimity in decision making stifles integration. (3) ASEAN institutions lack binding legal powers (e.g., the ASEAN Inter-Parliamentary Assembly and ASEAN Secretariat have little authority); they are also given limited budgets and manpower. (4) Different countries view the “ASEAN Way” differently: Myanmar, Cambodia, and Laos appear to resonate most with non-interference while older members like Indonesia and Singapore fixate more on cooperation and coordination. As a consequence, ASEAN loses credibility. More importantly, trans-Asiatic integration often happens outside ASEAN through sub-Associational efforts. For instance, the Malacca Straits Patrol is a trilateral

anti-piracy patrol arrangement between Malaysia, Singapore, and Thailand in the Malacca Strait. However, ASEAN's non-aligned status makes ASEAN communication channels (especially the 27-country ASEAN Regional Forum) useful for communication between non-ASEAN states. For instance, the Quad—the Quadrilateral Security Dialogue between the US, Japan, India, and Australia—was launched after American, Japanese, Indian, and Australian leaders met at the ASEAN Regional Forum in 2007, and the Quad was revived again after leaders met at the 2017 East Asia Summit in Manila.

- **Bali Concord II**: In 2003, through the Bali Concord II, ASEAN laid out three domains in which ASEAN should integrate: the Security Community (ASC), Economic Community (AEC), and Socio-Cultural Community (ASCC).

### Economic Integration and the AEC

- **AFTA**: In January 1992, ASEAN formed the ASEAN Free Trade Area (AFTA) as ASEAN shifted from promoting diplomacy and regional peace towards promoting economic development, especially in the aftermath of the Cold War. The AFTA has used a Common Effective Preferential Tariff system (CEPT) to lower intra-ASEAN tariffs to under 5%, except on temporal or sensitive industries like unprocessed agriculture.
  - Within the ASEAN Free Trade Area, Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand have slashed tariffs by 99.65%. Cambodia, Laos, Myanmar, and Vietnam have cut tariffs on 98.86% of their tariffs. ASEAN has since signed free trade agreements with China, India, Australia/New Zealand, and Japan. All ASEAN members are also members of China's RCEP (Regional Comprehensive Economic Partnership).
  - **Problems**: NTBs remain.<sup>2</sup> Intra-regional trade remains disappointingly low: just 25% of ASEAN members' trade is conducted with other ASEAN members and just 15% of investment into ASEAN member states originates within ASEAN. The AFTA lacks an effective enforcement mechanism for settling trade disputes (in fact, the Dispute Settlement Mechanism has never once been invoked). Dozens of criss-crossing FTAs (free trade agreements) within ASEAN members have caused the “noodle bowl effect,” with firms facing high administrative costs sorting through different rules and protocols for trading goods through multiple FTA zones; the RCEP (which binds countries to reduce tariffs by 92% over 20 years) may solve this problem. Agriculture remains under-liberalized and non-tariff barriers complicate trade. Financial integration is lacking.
    - **Labor Mobility**: ASEAN experiences extensive intra-regional migration with an estimated ten million international migrants living inside ASEAN member states with seven million of those migrants coming from within

---

<sup>2</sup> For instance, in October 2017, Vietnam's Ministry of Industry and Trade issued Decree 116, which greatly increased the emissions and safety inspections required of imported automobiles—a clear bid to protect Vietnam from imported automobiles. In November 2020, the Ministry of Finance passed Notice No. 377, which enhanced tax incentives for domestic automobile manufacturers.

another ASEAN member state. 7.1M migrants live in Thailand and Malaysia alone. 37% of Singapore's population is made of migrant workers, as is 25% of Brunei's population. The Philippines and Indonesia both have vast diaspora populations; remittances flow back home (e.g., remittances comprise 10% of the Philippine economy and reach 25% of the population, with \$36B sent in 2022 alone). However, *high-skilled labor mobility remains limited* and middle-income countries face a persistent shortage of skilled workers. An estimated 26M skilled jobs will remain unfilled in ASEAN by 2025. Why? ASEAN lacks a coherent immigration framework; presently, countries sign bilateral Mutual Recognition Arrangements to authorize migration flows.

- Demographic Dividend: Malaysia, Singapore, Thailand, and Vietnam are all aging societies, whereas Cambodia, Laos, and the Philippines will benefit from population growth.
- Political Economy of the AFTA: Singapore, Malaysia, and Thailand strongly favor increased liberalization (in particular, Singapore is a financial hub and shipping intermediary and hence benefits from increased regional trade flows). ASEAN's poorer countries (especially Myanmar, Laos, and Cambodia) fear that further integration in ASEAN's unequal macroeconomic paradigm will be crushing (especially if external tariffs, which governments need for revenue, are slashed). ASEAN's consensus-based decision-making helps these countries: they have flexibility to keep protectionist measures in place on sensitive industries (e.g., Indonesia, Malaysia, and the Philippines maintain tariffs on rice and Malaysia maintains tariffs on its automotive industry). From this perspective, the ASEAN Way protects weak ASEAN states against the liberalizing evangelists (i.e., Singapore and Malaysia).
- Chiang Mai Initiative: After the 1997 AFC, ASEAN Plus Three (China, Korea, Japan) formed the Chiang Mai Initiative, a multilateral currency swap mechanism to provide countries with short-term liquidity (and hard foreign currency) in times of crisis. The CMI supplements the IMF; most of the bilateral swap deals codified within the CMI are contingent on countries accepting IMF structural adjustment agreements.
- Financial Integration? The ASEAN Banking Integration Framework is ASEAN's first effort for financial integration with four goals: integrate financial services to allow banks to borrow and lend intra-regionally; liberalize capital flows; harmonize domestic regulations on banks; and unify payment and settlement systems. Partial progress has been made; for instance, ASEAN members have relaxed restrictions on foreign bank branches and adopted the ISO 20022 electronic inter-bank communications system.
  - Context: Commercial banks comprise over 80% of financial institutions in Southeast Asia; on average Southeast Asian banks (outside Singapore) are SMEs,

managing several billion dollars at most. Insurance companies are the most common non-bank financial institutions.

- Common Currency? ASEAN has considered the Asian Monetary Unit (AMU) in the past.
  - Model: Begin by pegging ASEAN member states' currencies to a weighted basket of regionally-representative currencies (the so-called "Asian snake"). In the interim process, ASEAN will have to expedite liberalization (e.g., gutting NTBs and harmonizing financial regulations). After adjustment, introduce the Asian Monetary Unit.
  - Pro: A common currency eliminates currency risk, lowers transactional cross-border trade costs (thereby boosting intra-ASEAN trade), and cheapens remittance transfers. ASEAN economies are well-suited for a common currency: inflation is contained and deficits are reasonable due to the legacy of IMF-imposed post-AFC austerity measures. Monetary independence does little good in mismanaged economies. The AMU would force ASEAN to deepen financial and political integration.
  - Con: Over 80% of ASEAN trade is with external (non-ASEAN) economies, so external currency stability (e.g., against the USD and EUR) matters more than internal currency stability (e.g., intra-regional currency volatility). ASEAN is not an optimum currency area<sup>3</sup> because ASEAN lacks high-skill labor mobility, faces considerable economic diversity amongst its members, relies partially on commodities exports (the prices of which are determined not by producers but by international markets), and lacks redistributive mechanisms. States would lose direct control over monetary policy. Sovereign debt in fiscally irresponsible states may become cheaper. Cambodia, Laos, Myanmar and Vietnam (CLMV) would be hit the hardest.

### Security Integration and the ASC

- Security: The ASEAN Defense Industry Collaboration meets annually and the ASEAN Convention on Counter-Terrorism outlines ASEAN's joint stance on fighting regional terrorism. Individual countries have taken real action: between 2004 and 2014, ASEAN member states increased defense expenditures by 147%.
- South China Sea: The South China Sea (especially the Senkaku, Diaoyu, Paracel, and Spratly Islands) is claimed, in part or in full, by China (both the PRC and ROC), the Philippines, Vietnam, Malaysia, Brunei, and Indonesia. Due to their close economic and political ties to China, three of those countries—Malaysia, Brunei and Indonesia—tend to

---

<sup>3</sup> Per the Optimum Currency Area theory, monetary unions will succeed only when asymmetric shocks do not occur, or occur rarely. Hence, OCA characteristics include (1) labor mobility, such that labor can flow freely to where economic opportunity abounds; (2) capital mobility and wage flexibility, such that the impact of economic shocks are distributed; (3) fiscal redistribution mechanisms, so that the winners' surpluses can be distributed to offset the losers' pains; and (4) similar business cycles, because if countries have different boom/bust cycles, then central banks will never respond to an asymmetric crisis properly.

downplay security disputes with China. Conversely, the Philippines and Vietnam are more aggressive. Yet ASEAN cannot take action because Cambodia and Laos, close allies of Beijing, block ASEAN action. For instance, the 2012 ASEAN Summit, led by Cambodia as Chair, considered issuing a joint statement on Chinese militarism in the South China Sea. When Vietnam, as ASEAN Chair, pushed for a similar declaration in 2020, the wording was heavily watered down by Cambodia and Laos; the resulting declaration did not even name China.

- SCS Conflict Background: The conflict in the South China Sea dates back decades. China first issued its nine-dashed line claim in the 1950s under Mao Zedong; China then forcibly seized the Paracel Islands from Vietnam in 1974. The 1988 Johnson Reef clash in the Spratly archipelago between Vietnam and China killed seventy-four sailors. In 1992, China passed the Law on the Territorial Sea and the Contiguous Zone, under which China invoked the territorial possessions of the Western Han dynasty (which ruled from 200 BCE to 9 CE) and laid claim to the entire South China Sea. In the 1996 Mischief Reef Incident, China and the Philippines engaged in a brief (90 minute) naval confrontation; immediately, the Philippines strengthened its military ties with the US. In 2002, ASEAN and China signed a non-binding “Code of Conduct” for the South China Sea; the CoC is toothless. In 2010, the US signaled its own interests in a free and open South China Sea; shortly after, a Chinese fishing boat collided with Japanese Coast Guard vessels near the Senkaku Islands. November 17<sup>th</sup>, 2011, Obama delivered his famous speech before the Australian Parliament in which he announced the US’ “Pivot to Asia.” In the April 2012 Scarborough Shoal Incident, the Philippine Navy confronted (and attempted to detain) Chinese fishing vessels. Months later, Vietnam passed a maritime law claiming authority over the Paracel and Spratly Islands. That year, ASEAN—for the first time in its history—failed to issue a joint communique at its annual Summit; disputes over China were the likely culprit. In 2013, Japanese PM Shinzo Abe authorized an unprecedented increase in military spending, with total military expenditures topping \$50B USD. In January 2013, the Philippines filed an arbitration case before a UN tribunal, alleging that China violated the 1982 United Nations Convention on the Law of the Sea. In 2014, the Philippines and US signed the Enhanced Defense Cooperation Agreement; soon after, Vietnamese and Chinese oil vessels collided near the Paracel Islands. In 2016, China stationed surface-to-air missiles and J-11 fighter-jets on Woody Island in the Paracel Island chain. In July 2016, the UN sided with the Philippines and rejected China’s nine-dash line; despite the victory, Philippines President Duterte signaled warmer ties with China by dismissing the ruling as a mere “piece of paper.” By 2019, relations had further deteriorated, and Duterte threatened military escalation around the Philippines-occupied Thitu Island. China escalated its aggressiveness

during the pandemic, sinking Vietnamese fishing boats and aiming weapons systems at Philippines vessels. In December 2022, Indonesia and China signed a bilateral agreement finalizing each country's exclusive economic zone (EEZ). In 2023, Biden met with India's Narendra Modi, underscoring US-India security relations, and convened a trilateral US-Japan-South Korea summit at Camp David, in which all countries reaffirmed the UN's 2016 UNCLOS ruling.

- **SCS Resources**: \$3.4T worth of trade flows through the South China Sea annually. An estimated eleven billion barrels of probable oil reserves lay at the bottom of the sea, alongside an estimated 190 trillion cubic feet of natural gas. The South China Sea is also an important source of fish.
- **Chinese Tactics in the SCS**: China now has an estimated 27 military outposts in disputed waters in the South China Sea. China's *salami-slicing strategy* involves incremental seizure of territory (e.g., building Sansha City on Woody Island in 2012 and later declaring an air defense identification zone in 2013)); at no point does Chinese behavior constitute a cause for war, but over time, the strategic balance of power tips greatly in China's favor. China's *cabbage strategy* involves layering Chinese naval vessels around disputed islands in concentric circles of overwhelming, blockading force. China's "*Great Wall of Sand*" strategy involves dredging sand and concrete onto underwater reefs to build artificial islands, from which the People's Liberation Army stations military forces.
- **Human Rights**: Several countries (chiefly Indonesia) have long pushed for ASEAN to expand the ASEAN Human Rights Declaration to include a wider array of rights (e.g., prohibition of child labor, stronger condemnation of genocide). These countries seek to (i) avoid criticism from the West and (ii) bolster regional solutions to human rights crises so as to reduce Western meddling. But Cambodia, Laos, Vietnam, and Myanmar consistently invoke ASEAN's stated commitment to non-interference to stymie ASEAN action against abusive regimes.
- **Conflict Mediation**: The ASEAN Way uniquely positions ASEAN to address conflicts through diplomacy and mediation, even though ASEAN lacks organizational military force. Intra-Association disputes include border disagreements between Cambodia and Thailand, Vietnam and Cambodia, and the Philippines and Malaysia. In 2008, ASEAN helped mediate peace talks between Thailand and Cambodia after their border skirmish. And Malaysia's territorial disputes with Singapore and the Philippines have never intensified beyond spats since ASEAN's formation.
- **Piracy in the Malacca Strait**: Billions of dollars worth of trade flow through the Malacca Strait every day; as *Time* writes, "Asia's [South China] seas offer rich pickings for marauding pirates who steal oil and supplies worth billions of dollars every year." Between 1995 and 2013, approximately 40% of all global pirate attacks occurred in Southeast Asia. That's not surprising: narrow shipping lanes create exploitable

choke-points which pirates can easily take advantage of. Oil tankers, in particular, are lucrative and soft targets.

- Anti-piracy efforts are difficult. Low- and middle-income Southeast Asian countries typically underpay maritime law enforcement officials, so collusion (in exchange for hefty kickbacks) is common and policing resources are stretched too thin. The UNCLOS (United Nations Convention on the Law of the Sea) offers a narrow definition of piracy, which problematizes prosecutions against pirates. Given high rates of corruption, employees on ships often covertly share information about cargo and shipping locations with pirates.
- Democratic Backsliding: More military coups succeeded in 2021 than in the previous five years combined. The partial democratization of the 1990s and 2000s (e.g., with the USSR unable to protect military regimes and the US rhetorically committed to democratization) is being rolled back as militaries undermine democratic institutions and encroach on the powers of elected authorities. In Myanmar, the military junta seized power in the February 2021 coup. In Thailand, democracy was toppled after both the 2006 and 2014 military coups. In Cambodia, Hun Manet's ruling communist regime is increasingly relying on the security forces for domestic legitimacy. In Indonesia, President Joko Widodo has handed the military control over key administrative and ministerial positions entirely unrelated to national security. In the Maldives, a 2012 military coup undermined democratic rule. The Sri Lankan military has gained increased power amidst the country's political and economic crisis. In Pakistan, the military's political machine imprisoned and ousted Prime Minister Imran Khan from power.
  - Military rule is bad: (1) Once militaries become entrenched, they are difficult to dislodge and hence stymie future democratization. (2) Militaries rule with an iron fist, leading to significant bloodshed. (3) The success of one coup in one country encourages other coups in other countries. (4) Even when democracy re-emerges, harsh authoritarian rule persists in the form of illiberal populism. (5) Militaries self-enrich at the expense of the masses; they govern corruptly and mismanage economic policy.