UNDERMINING DEMOCRACY

21ST CENTURY AUTHORITARIANS

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Rashed Rahman is a senior journalist in Pakistan. He has served in a number of editorial positions with English-language Pakistani dailies, including senior news editor of the *Frontier Post* (1990–91), deputy magazine editor of the *Nation* (1991–92), and op-ed editor of the *Nation* (1991–2000). After a stint of freelancing in 2000–01, during which his columns were carried by other major dailies including *Dawn*, the *News*, and *Business Recorder* (for which he was also an editorial writer), he worked as editor of the *Frontier Post* in 2001–02. Another period of freelancing followed in 2002–05, during which he wrote columns for the *Daily Times*, among other publications. He was the senior executive editor of a new English-language daily, the *Post*, from 2005 to 2008, during which time he was the virtual editor. Since leaving the *Post* in January 2008, Mr. Rahman has been an analyst on the growing number of private television channels in Pakistan, both in English and Urdu. In this period, he has written analytical pieces for foreign journals. In November 2008, Mr. Rahman joined a new daily, the *National*, as its op-ed editor.

UNDERMINING DEMOCRACY

STRATEGIES AND METHODS OF 21ST CENTURY AUTHORITARIANS

When asked not long ago about the effectiveness of the European Union's posture toward an increasingly assertive and illiberal Russia, former Czech president and communist-era dissident Vaclav Havel argued that the European democracies had lost their voice and needed to take a firmer, more open stand against abuses by their large and strategically important neighbor to the east.*

He warned that today's Russia is advancing a new form of authoritarianism, with methods of control that are significantly more sophisticated than the classic totalitarian techniques of the Soviet Union.

Finally, the former Czech leader lamented that as democratic states increasingly gave primacy to economic ties in their relations with Russia, the promotion of human rights was being shunted to the margins. The Kremlin was intensifying its repression of the political opposition, independent journalists, and civil society organizations, but the response from established democracies had softened to the point of inaudibility.

Havel was referring only to Russia, but he could just as easily have been speaking of China, another authoritarian country whose high rates of economic growth and rapid integration into the global trading system have had the effect of pushing the issues of democratic governance and human rights to a back burner. China, like Russia, has modernized and adapted its authoritarianism, forging a system that combines impressive economic development with an equally impressive apparatus of political control.

As in Russia, political dissidents and human rights defenders in China continue to challenge the regime. Chinese activists recently published "Charter 08," a human rights and democracy manifesto that draws its inspiration from Charter 77, the Czechoslovak human rights movement of which Havel himself was a founder.

But while Europe's anticommunist dissidents were the focus and beneficiaries of a worldwide protest movement, the Chinese intellectuals who endorsed Charter 08 labor in

* Havel spoke at a conference hosted by the nongovernmental organization ANO pro Evropu (Yes for Europe) in Prague on December 16, 2008.

virtual anonymity. Few in the United States and Europe are familiar with the name of Liu Xiaobo, a respected literary figure and leader of Charter 08, who has been imprisoned by the Chinese authorities since December 8, 2008, for his advocacy of democracy and the rule of law in China. Havel too spent years in jail during the Soviet period for questioning the communist authorities' monopoly on power and their denial of basic human and democratic rights. But the world paid attention to his plight; even government leaders raised his case in meetings with communist officials. In China, Liu remains in detention and effectively incommunicado, and democratic leaders rarely speak out publicly on his behalf.

Today's advocates for freedom may be receiving less attention, and less assistance, from their natural allies in the democratic world because the systems that persecute them are poorly understood in comparison with the communist regimes and military juntas of the Cold War era. As a result, policymakers do not appear to appreciate the dangers these 21st-century authoritarian models pose to democracy and rule of law around the world.

It is within this context of shifting and often confused perceptions of threats and priorities that Freedom House, Radio Free Europe/Radio Liberty, and Radio Free Asia undertook an examination of five pivotal states—Russia, China, Iran, Venezuela, and Pakistan—to advance our common understanding of the strategies and methods these regimes are employing, both within and beyond their borders, to impede human rights and democratic development.

The countries assessed in *Undermining Democracy* were selected because of their fundamental geopolitical importance. They are integrated into larger economic, political, and security networks and exert a powerful influence on international policy at the regional and global levels.

However, they are also geographically, economically, ideologically, and politically diverse. Iran, a unique authoritarian polity ruled by Shiite Muslim clerics, looms over the Middle East. The governing cliques in Russia cloak their kleptocracy in a contradictory blend of Soviet nostalgia and right-wing nationalism. Venezuela is ruled by a novel type of Latin American caudillo who holds up Fidel Castro as his mentor. China sets the standard for authoritarian capitalism, with rapid economic growth sustaining a single-party political system. Pakistan, a South Asian linchpin, is faltering under the legacy of military rule and an extremist insurgency. Three of these countries—Iran, Russia, and Venezuela—are heavily dependent on oil and gas exports, and exhibit all of the peculiar distortions of so-called petrostates.

The present analysis comes at a time of global "political recession." According to recent findings from *Freedom in the World*, Freedom House's annual survey, political rights and civil liberties have suffered a net global decline for three successive years, the first such deterioration since the survey's inception in 1972. Freedom House's global analysis of media independence, *Freedom of the Press*, has shown a more prolonged, multiyear decline.

While the consolidated authoritarian systems of China, Russia, and Iran are rated Not Free in *Freedom in the World*, and the rapidly evolving, semi-authoritarian states of Pakistan and Venezuela are currently rated Partly Free, all five have played an important role in contributing to the global setbacks for democracy.

It is incumbent on the established democracies and human rights campaigners around the world to both understand the methods of the antidemocratic forces in these countries and actively counter their stratagems. Failure to do so can only grant them victory by default.

MAIN FINDINGS OF *UNDERMINING DEMOCRACY*

The authoritarians examined in this study are pursuing a comprehensive set of illiberal policies that are contesting democracy in practical terms, as well as in the broader battle of ideas. Increasingly sophisticated and backed by considerable resources, these efforts are challenging assumptions about the inevitability of democratic development.

- **Democracy Redefined:** Leading authoritarian regimes are working to reshape the public understanding of democracy. A redefined and heavily distorted version of the concept is communicated to domestic audiences through state-dominated media. Especially on television, these regimes put forth a dual message that stresses their own achievements while belittling the core institutions of genuine democracy, which is often kept at arm's length with the appellation "Western." In Russia, the authorities have placed a chokehold on independent media and systematically shut out foreign news broadcasts. Meanwhile, using its own tightly controlled domestic media, the Kremlin pumps out ideological smokescreens—national renewal, historically indiscriminate nostalgia, anti-Western xenophobia, and the curious notion of "sovereign democracy," which essentially provides a semantic shell for each authoritarian ruler to fill as he pleases. A similar usurpation of the term *democracy* by the Chinese Communist Party (CCP) complicates domestic arguments about its political system. President Hu Jintao's report to the 17th Party Congress used the words *democracy* and *democratic* some 60 times. Russia and China are working to muddy the waters abroad as well. The CCP plans to spend billions of dollars on expanding its overseas media operations, and Russia Today, the Kremlin's relatively new international television outlet, had benefited from more than $100 million in funding as of May 2008. Venezuela and Iran, both of which consider themselves democracies of a sort, have also launched international broadcasting platforms.

- **Internet Under Threat:** The leading authoritarians—particularly in China, Iran, and Russia—are using advanced and well-funded techniques to subvert legitimate online

discourse. In addition to controlling access through physical, economic, and technological means, these regimes have enlisted loyal commentators and provocateurs like the "Fifty Cent Party" in China and the "Brigades" in Russia to overwhelm or disrupt undesirable discussions. Furthermore, they use draconian laws to punish outspoken online critics and discourage any who might emulate them. Both Iran and China earned a Not Free ranking in Freedom House's recent analysis of internet freedom, and Russia was not far behind. These activities cast doubt on the prevailing assumption that the internet will inevitably serve as an open forum for the free exchange of ideas and the organization of constructive grassroots activism. Even in Pakistan, where the government has only occasionally engaged in crude attempts to block opposition or separatist websites, the fallout of authoritarian rule has arrived in the form of the Taliban and other extremists, who actively use the internet to coordinate their activities, attract recruits, and spread their antidemocratic ideology.

- **Authoritarian Foreign Aid:** These regimes are using soft-power methods to advance their interests internationally, particularly through billions of dollars in no-strings-attached development aid. Chinese leaders enunciate a doctrine of win-win foreign relationships, encouraging Latin American, African, Asian, and Arab states to form mutually beneficial arrangements with China based on the principle of noninterference. As part of this strategy, the win-win philosophy is implicitly contrasted with that of the West, which Beijing portrays as pushing a self-serving and alien "democracy agenda" onto developing nations. The Chinese aid program appears to attract willing recipients; the World Bank estimates that China is now the largest lender to Africa. Russia, Iran, and Venezuela have similarly used their oil wealth to build foreign alliances and bankroll clients abroad, particularly in their home regions. This unconditional assistance—devoid of the human rights riders and financial safeguards required by democratic donors, international institutions, and private lenders—is tilting the scales toward less accountable and more corrupt governance across a wide swath of the developing world.

- **Rules-Based Organizations Under Siege:** At the regional and international level, these authoritarian regimes are undercutting or crippling the democracy-promotion and human rights efforts of rules-based organizations including the United Nations, the Organization for Security and Cooperation in Europe (OSCE), and the Organization of American States (OAS). In the European context, Russia and its allies in the post-Soviet Commonwealth of Independent States (CIS) have pressured the OSCE to move away from election monitoring, the promotion of democratic standards, and the observance of human rights, and urged it to focus instead on economic, environmental, and security

Authoritarians on the Airwaves

State control over news content and its delivery mechanisms has long been a key feature of authoritarian systems. Recognizing that a genuine competition of ideas and a well-informed public spell trouble for regime security, authoritarian rulers devote extensive resources to managing and manipulating the news. Among the 21st-century variations of this strategy is the emergence of state television broadcasts aimed at overseas audiences. These initiatives—including *Russia Today*, Iran's *Press TV*, and Venezuela's *Telesur*—are part of a broader effort by leading authoritarian states to project their influence beyond national borders. China, meanwhile, has embarked on its own ambitious plan to shape international views.

Russia Today: The television channel Russia Today is a Kremlin initiative that broadcasts to North America, Europe, and Asia. It is overseen by the state-controlled RIA Novosti news agency, and at the time of its global launch in 2005, it reportedly had a staff of over 300 and $30 million in start-up capital.[1] As of May 2008, the Russian government was believed to have invested some $100 million in the project.[2]

Iran's *Press TV:* Iran launched the 24-hour, English-language satellite station Press TV in 2007, with a reported worldwide staff of 400 people.

Venezuela's *Telesur:* Launched in 2005, Venezuela's Telesur is a multimillion-dollar, 24-hour cable news network designed to advance "a new international communications order," according to Venezuela's minister of information.

China's Growing International Media Ambitions: China's state-controlled news organizations anticipate spending billions of dollars on expanding overseas media operations in a bid to improve the country's image abroad. The plans include opening more overseas bureaus, publishing more content in English and other languages, and hiring English-speaking Chinese and foreign media specialists. The Chinese government in January 2009 announced plans to launch an international, 24-hour news channel with correspondents around the globe.[3] According to reports in early 2009, the government had reportedly set aside between $6 billion and $10 billion for this and other media expansion efforts.[4] China Central Television (CCTV), which currently holds a monopoly on television coverage of significant news in China, will multiply its channels from the present 13 to more than 200, all of them digital.[5]

issues. Russia has also blocked reform within the European Court of Human Rights. The OAS has been a target of Venezuelan president Hugo Chávez, who has obstructed almost any initiative that promotes democracy or human rights, and has apparently cowed other delegates with his threats to withdraw from the organization. These regimes have also worked—in some cases cooperatively—to blunt criticism, block proposed sanctions, and advance antidemocratic measures at the United Nations. The governments of Venezuela, Russia, and China have been particularly active in creating new institutions to serve as counterweights to existing rules-based multilateral organizations.

- **Illiberal Education—Tainting the Next Generation:** By either actively promoting or encouraging the presentation of history through a strongly nationalistic or extremist lens, authoritarian regimes are inculcating in the next generation attitudes of hostility toward democracy and suspicion of the outside world. In China, regime-authorized textbooks stress the theme that calls for expanded human rights are an instrument in the West's grand design to "keep China down." History courses ignore or explain away the dark chapters in the country's decades of Communist rule, including the Great Leap Forward, the Cultural Revolution, and the Tiananmen massacre of 1989. In Russia, textbooks introduced at the Kremlin's direction depict Stalin as one of the country's greatest leaders and suggest that the Great Terror was simply a product of the times. In Iran, school textbooks seek to perpetuate the regime's theocratic ideology and promote an intolerant and illiberal view of the world, while many of Pakistan's thousands of madrassas teach children to demonize all who do not subscribe to an extreme interpretation of Islam.

COMMON TRAITS

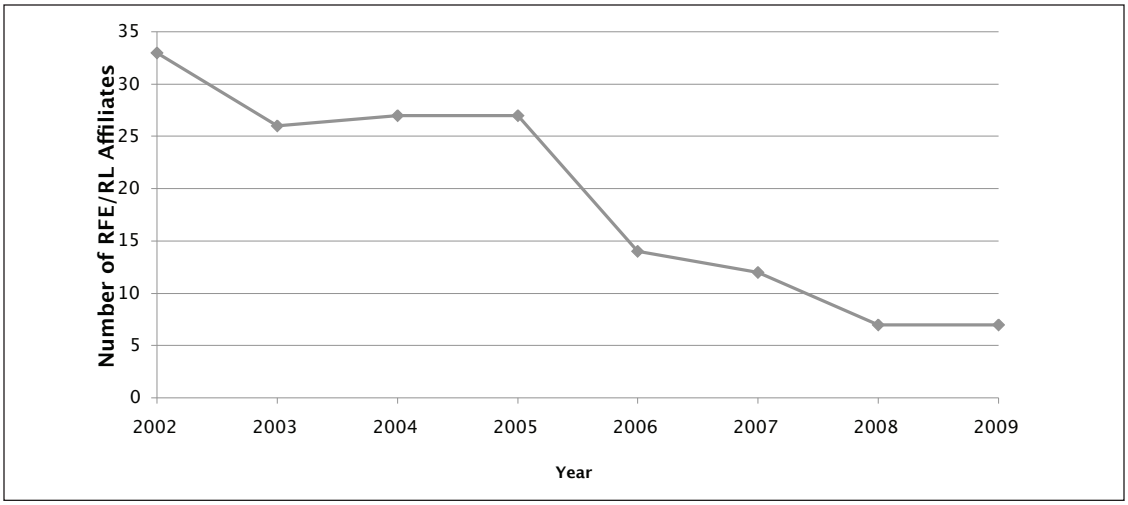
While there are indisputably major differences among this group of countries, the analysis in *Undermining Democracy* reveals important common traits. Each of the five is ruled by a relatively small in-group—usually with a limited degree of internal rivalry—that uses the power and wealth of the state primarily to serve its own interests, and secondarily to ensure either the explicit or passive support of the masses. In keeping with this oligarchic power structure, each is also promoting or enabling antidemocratic standards and values, both at home and abroad. An absence of institutional accountability leads to repressive and arbitrary governance, and to entrenched, rampant corruption. Finally, the lack of built-in corrective mechanisms like genuinely competitive elections, free media, independent civil society organizations, and the rule of law make these systems inherently unstable, as basic problems and irresponsible policies are allowed to fester and grow into major crises.

China, for example, is ruled by the CCP hierarchy, which has both enriched itself and maintained the necessary degree of public support by opening up new fields of economic and commercial activity. Paradoxically, the party has won praises as the guarantor of national prosperity simply by removing its own long-standing restrictions, allowing the Chinese people to climb out of the crushing poverty and social devastation that had resulted from decades of CCP rule. China's rise has been so dramatic precisely because its starting point was so low. The government has nevertheless burnished its image by means of a sophisticated communications strategy and the studious repression of critical voices. As noted in this study's report on China, the CCP's "efforts have come to include, in addition to censorship, the fashioning of textbooks, television documentaries, museums, and other media that spread seriously distorted versions of Chinese history." Meanwhile, ongoing and growing problems—pollution, human rights abuses, galloping corruption, and social unrest stemming from basic injustice—are largely papered over through the same mechanisms of repression and media control. The latter notably includes both elaborate distractions like the Olympics or the space program and nationalist fear-mongering involving supposed separatist or foreign enemies.

Iran's clerical oligarchy and the massive security apparatus that supports it are portrayed as "genuine Islamic" democracy, in which the true interests of the underclass are supposedly protected by a leadership with insight of divine origin. The regime promotes these ideas through its control over all domestic broadcast media and most of the press, and suppresses any remaining criticism by jailing online dissidents and interfering with foreign media broadcasts. In a circumscribed political system in which candidates for elective office are heavily vetted and culled by unelected officials, the government has been free to engage in years of wasteful, graft-ridden, and reckless practices that have seriously undermined Iran's welfare and security, despite the promise of its oil wealth and other advantages. These practices have also had serious consequences abroad, helping to destabilize much of the Middle East.

Russia's leadership, a collection of clannish informal cliques, has defended the country's largely decorative elected institutions by devising its own public narrative based on "sovereign democracy" and a vague brand of pugnacious, retrograde nationalism. The Kremlin has secured direct or indirect control over the most important news media, including all national television stations and many newspapers and internet platforms, and this—combined with a convenient boom in oil and gas revenues—has been enough to win at least the acquiescence of the bulk of the population. Unlike the totalitarian system of the past, some intrepid journalists have dared to investigate issues such as corruption and human rights abuses, but in the absence of the rule of law they face intimidation, physical violence, and even murder by the powerful interests they offend. Independent civil society groups have also been targeted by

Russia's Vanishing Independent Media



the authorities and pushed to the margins of the system. Official mismanagement therefore goes largely unchecked, and an unquestioned foreign policy promotes authoritarian rule abroad while stoking rivalries that bring few obvious benefits to Russia itself.

In **Venezuela**, a country with a tradition of media and political pluralism, President Hugo Chávez has devoted great energy and prodigious state spending to the removal of institutional checks and balances that had limited his own power and that of his cohorts, commonly known as Chavistas. Gradually adapting his techniques based on the strength of his opponents, he has succeeded in dominating all branches of government, acquiring unsupervised access to the country's oil wealth, and drastically expanding the state's—and thus his own—role in the economy. Military spending under Chávez has increased sevenfold, leading to a "militarization of government" and "politicization of the military." The country's formerly vibrant media landscape has been subjected to a relentless assault by the authorities, and opposition parties' cluster of victories in the 2008 regional and municipal elections have been overshadowed by a 2009 referendum that removed term limits on Chávez and other officials. This study's country report on Venezuela describes how the regime has battered its opponents and enforced loyalty in part through the "promotion of disorder," which ranges from arbitrary government decisions to the neglect of rising crime rates. As in the other countries examined here, the only true security lies in good political connections. And like the other petrostates, the stability of the system is heavily dependent on volatile oil prices.

Pakistan differs from the other four countries in that the antidemocratic ideology promoted by its previous authoritarian rulers has effectively taken on a life of its own. The current, nominally democratic civilian government now faces an extremist insurgency, and

it remains unclear whether the still-powerful military has completely abandoned its long-standing strategy of preserving the Taliban to influence events in Afghanistan. Even the civilian leadership could be described as an oligarchy, with major political parties still dominated by a feudal elite. The situation in Pakistan, and consequently in the region, is plainly unstable, and the deleterious effects of decades of military rule have left both the state and civil society ill-equipped to cope with the country's rising tide of problems.

NOT A RETURN TO THE COLD WAR

The new and significant threat from these authoritarian states does not amount to a return of the Cold War. The China and Russia of today, for example, would be almost unrecognizable to those who lived under Mao and Brezhnev. Ordinary citizens in both countries have far more access to information than they did a generation ago. Travel abroad for holidays, the ability to purchase consumer goods of all descriptions, and a range of other personal freedoms are available to a large portion of the population. And, of course, both countries have joined the global trading system, and international commercial relationships are flourishing.

Indeed, the new authoritarianism is distinguished by a recognition that absolute control over information and economic activity is neither possible nor necessary. These regimes have developed methods that allow them to "guide" and "manage" political discourse; selectively suppress or reshape news and information of political consequence; and squelch, co-opt, or parasitize the most important business entities. The priority is political control, and any societal actor that is prepared to acknowledge the supremacy of the ruling group—and comply with its directives when called upon—is free to operate with a certain amount of autonomy. But the extent to which citizens can exercise their rights depends not on the law as established by freely elected representatives and enforced by impartial courts, but on the state of their relations with the leadership. Loyalists are rewarded, enemies are punished, the neutral are neglected or casually abused, and all of these labels are assigned in an arbitrary and capricious manner.

China's media sector is a telling example of 21st-century authoritarianism in practice. In keeping with the CCP's ongoing experiment in authoritarian capitalism, the party has developed a "market-based censorship" model in which both traditional and online media operate as commercial enterprises—surviving mostly on advertising revenue, and enhancing production quality and entertainment value to attract audiences—but are required to carry out political directives from the authorities. This includes stressing certain topics in the news, suppressing others, and employing an in-house censorship apparatus to ensure compliance.

News professionals who stay within editorial boundaries but nevertheless manage to succeed commercially are rewarded and move up the career ladder. Those who do not risk

Assault on International Broadcasting in the Former Soviet Union . . .

Authoritarian governments use their control over news media to fend off scrutiny and criticism of official activities. While Russian authorities have focused their suppressive efforts on domestic news outlets, international broadcasters including the BBC, Voice of America and Radio Free Europe/Radio Liberty (RFE/RL) have not been spared. Each of these broadcasters, whose programming has attracted a dedicated following of Russian listeners interested in an alternative voice, has been targeted in recent years by Kremlin-orchestrated intimidation campaigns. RFE/RL's local partners—Russian radio stations that rebroadcast its programs as part of their own formats—have been audited and subjected to various other forms of harassment. Since 2005, a total of 20 such RFE/RL affiliates have been closed, the majority due to political pressure. Prior to the crackdown, the Russian Service had affiliates in all 10 of Russia's largest cities, whereas today Russian Service programs can be heard on local stations in less than half. Governments in other parts of the former Soviet Union have undertaken similar efforts to obstruct international broadcasting. There is no local rebroadcasting of RFE/RL content in Azerbaijan, Belarus, Tajikistan, Turkmenistan or Uzbekistan. Several other countries, including Armenia, Georgia, Kazakhstan and Kyrgyzstan, have used official means such as bans and temporary states of emergency to frustrate domestic access to RFE/RL programs. Many of these governments also hinder access to information on the internet, including news and analysis produced by international broadcasters. In 2008, a massive cyberattack was launched against the website of RFE/RL's Belarus Service, disrupting access to all of RFE/RL's websites for nearly two days. Governments in Kyrgyzstan, Kazakhstan, Uzbekistan, and Armenia also block domestic access to RFE/RL websites.

. . . and in Asia

Chinese authorities jam U.S. government–funded Radio Free Asia (RFA) broadcasts by co-channeling Chinese opera, funeral music gongs, and static, as well as by overriding RFA's signal with their own programming. The Chinese government publically professed an attitude of openness toward international news organizations and nongovernmental organizations during the 2008 Olympics in Beijing, but it continued to block access to the RFA website. RFA encounters these and similar problems with jamming, censorship, and intimidation by authoritarian regimes elsewhere in Asia, including in North Korea and Burma. Despite these efforts at repression, RFA's audience still manages to access broadcasts through short- and medium-wave radio, satellite links, and on the internet via proxy servers.

professional stagnation or ruin. And media workers are well aware that this system is backed up by the unfettered power of the state to harass, intimidate, imprison, and even execute those who fail to respond to its instructions. Moreover, the media landscape—both online and off—is actively policed by government officials armed with the latest technology available on the world market, one of the benefits of the country's opening to international trade. Having all but perfected these modern censorship techniques, China is now beginning to serve as a model and mentor for other authoritarian governments around the world.

CONCLUSION

During the height of the Cold War, there was little ambiguity about the nature and designs of the dominant authoritarian states. The current environment presents a murkier picture. Modern authoritarian governments are integrated into the global economy and participate in many of the world's established financial and political institutions. And while they tolerate little pluralism at home, they often call for a "multipolar" world in which their respective ideologies can coexist peacefully with others.

The lack of clarity about the nature of these regimes has resulted in a similarly uncertain response from the community of democratic states. Optimistic observers have pinned their hopes on engagement, arguing that interlocking relationships could encourage undemocratic partners to adopt basic democratic standards, or that market-oriented trade and development will inevitably lead to political liberalization. However, leading authoritarian regimes are already well-practiced in the art of allowing economic activity while protecting their political prerogatives, and they are vigorously advancing their own, illiberal values. It is not obvious why they would abandon this approach when dealing with foreign governments.

In fact, as the world's democracies have struggled to find a common approach to the problem, or even to agree that there is a problem, modern authoritarian states have worked diligently to spread their influence through an extensive web of media concerns, public-relations consultants, diplomatic initiatives, and nontransparent aid packages. Meanwhile, their efforts to disrupt international forums like the United Nations, the OAS, and the OSCE could cripple the ability of established democracies to coordinate their policies and encourage democratic development in other countries. Just as they rule without law within their borders, authoritarian regimes are eroding the international rules and standards built up by the democratic world over the past several decades, threatening to export the instability and abuses that their systems engender.

In a 21st-century context, isolation of or disengagement from these authoritarian states are not viable options. And generally speaking, in order to advance economic interests, these regimes would prefer engagement with the United States and its allies, but only on *their*

terms. An agenda focused selectively on economic or security matters would suit Beijing and Moscow quite well, and this is the type of relationship they have been working toward.

However, if the world's democracies buy in to this restrictive approach, they fall into the authoritarians' trap. The strength and competitive advantage of democratic states lie in their rules-based, accountable, and open systems, and in the values and standards that support them. By extension, an international system that is grounded in human rights and the rule of law is far more desirable than the opaque and capricious alternative being actively pursued by the regimes examined in this study. It is therefore in the democracies' interest to safeguard and promote the very qualities that set them apart from the authoritarians.

Curiously enough, all of the regimes in question routinely invoke the term *democracy* to make their case at home and abroad. It is a testament to the value and power of this idea that those who systematically undermine it seek shelter in its name. But democracy faces a dark future if such attempts to eviscerate the term itself go unchallenged.

NOTES

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CHINA

RESILIENT, SOPHISTICATED AUTHORITARIANISM

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Chinese Communist Party leaders have clearly embraced the idea of soft power, and it has become central to their discourse about China's role in the world. While only five years ago Chinese officials and academics denied they had any lessons to offer to the developing world, today they not only accept this idea but use their training programs for foreign officials to promote aspects of the China model of development.

INTRODUCTION

In 1989, in the wake of the crackdown on prodemocracy protesters in Beijing's Tiananmen Square, the moral and ideological standing of the Chinese Communist Party (CCP) was at an all-time low. Popular complaints about corruption and special privileges for the elite were widespread. Idealistic language about socialism was seen as empty sloganeering. The Tiananmen killings showed that the "people's army" could open fire on the people themselves. China's agricultural economy had been partially liberated, but the urban economy still seemed locked within the iron framework of a work-unit system that was both inefficient and corrupt. No one either inside or outside China saw the country as a model for others.

Now, nearly 20 years later, the prestige of the CCP has risen dramatically on the twin geysers of a long economic boom and a revived Han chauvinism. The expectation that more wealth in China would lead to more democracy (a fond hope in many foreign capitals) has been frustrated as one-party rule persists. Burgeoning wealth remains largely in the hands of a political-economic elite that has successfully co-opted business and intellectual circles; far from forming a middle class that might challenge authority, these groups now have reason to join their rulers in repressing "instability" among the people. Whether such repression can survive the current economic downturn remains to be seen. Meanwhile, the CCP has also deliberately stoked and shaped Chinese nationalism, and many Chinese inside China now feel pride in the CCP's model of authoritarian development. The party's

"thoughtwork" has come to include—in addition to censorship—the fashioning of textbooks, television documentaries, museums, and other media that spread seriously distorted versions of Chinese history.

A "China model" has also begun to gain currency abroad. It has automatic appeal among authoritarian elites who seek modern formulas for maintaining their power while also growing their economies, and it has begun to win over even average people in a number of developing countries, where decades of free-market reforms have failed to stimulate broad economic growth. China's rulers, aiming to extend their influence internationally and make gains in the worldwide competition for natural resources, have sought ways to engage foreign elites and foreign publics in "win-win" arrangements. Beijing offers aid and investment with no human rights strings attached, runs training programs in China for foreign officials and students, opens cultural centers (Confucius Institutes) within foreign universities, and offers diplomatic cover to repressive regimes at the United Nations and elsewhere. It has become apparent in recent years that both Beijing and its authoritarian allies around the world see the Chinese system as a viable competitor to democracy. Terms such as democracy and human rights are retained in their lexicons, but they are redefined to serve authoritarian interests. Even in some democratic or recently democratic developing countries, including Thailand, the appeal of the China model has started to grow.

But the China model, although a definite threat to democratic values, is no juggernaut. Its appeal will depend in large part on how the Chinese economy weathers the global downturn, and how any stumbles it might encounter are perceived in the developing world. Moreover, on the domestic front, the CCP is more frightened of its own citizenry than most outside observers realize. "Rights consciousness" has recently been on the rise among the Chinese people, and it is not a phenomenon that fits well with authoritarianism. Similarly, the CCP's international deal-making strategies have involved foreign elites almost exclusively; ultimate success would require much more support among local nongovernmental organizations, civil society, and the media. In short, Beijing's challenge to democracy is a crisis in the original sense of the word—the course of events could turn either way.

DOMESTIC METHODS OF CONTROL

China's material successes, as evidenced in the gleaming skylines of some of its cities, its huge foreign currency holdings, and improved figures on caloric intake for many of its people, suggests a government whose top priority is economic growth. And the increasing diversity in Chinese society, certainly compared with 30 years ago, suggests a regime that seeks liberalization.

China: The Commercialization of Censorship

As part of its ongoing experiment in authoritarian capitalism, the Chinese Communist Party has developed a 21st-century media model that is proving to be both resilient and repressive. It includes a form of "market-based censorship," in which the authorities have reinvigorated control over old and new media alike by threatening outlets with economic repercussions—in addition to the traditional political and legal penalties—if they stray from the party line. Editors and reporters in China have long risked demotion, dismissal, or more serious punishment by the state when they push the limits of permissible coverage. However, now that the Chinese media industry has been commercialized, relying on advertisers for revenue rather than on government subsidies alone, publications must also consider the financial danger of displeasing powerful business interests with close official ties. Similarly, with the internet emerging as the main challenge to state media hegemony in China, the authorities have been quick to implement market-based strategies for suppressing news and information of political consequence online. The older tools of police action and prison sentences are regularly used to silence internet activists, and—as described in *Freedom on the Net,* Freedom House's new index of internet freedom—the state's technical capacity to censor and control online content is unmatched in the world. But China has also been at the forefront of a growing trend toward "outsourcing" censorship and monitoring to private companies. Internet portals, blog-hosting services, and other enterprises are required to maintain in-house staff to handle these tasks, and they risk losing their business licenses if they do not comply with government censorship directives. China's development of this modern authoritarian media model has attracted the attention of other governments with ambitions to control news and information. Countries such as Cambodia and Vietnam are considering measures based on those being pioneered in China, and the Chinese authorities are already believed to share censorship technology and expertise with other governments in the region.

Both of these are dangerous misconceptions. The top priority of the CCP remains today what it always has been: maintaining absolute political power. No other goal—be it economic, military, diplomatic, or nationalistic—trumps this aim. Indeed, the recent economic downturn is of great concern to the CCP precisely because it threatens the party's hold on power.

During the rule of Mao Zedong, an important tool in inducing popular obedience to the party was "thoughtwork" (*sixiang gongzuo*). This ideological enforcement effort was pursued openly, explicitly, and without apology. Today thoughtwork remains extremely important to the maintenance of CCP power, but is done in subtler ways. It is covert—accomplished, for example, through confidential telephone calls to newspaper editors, rather than in banner newspaper headlines. And it is targeted: whereas the Mao-era campaign aimed to transform all of society and even human nature, thoughtwork today focuses on political issues that are vital to CCP rule, and lets the rest go. But the effects remain far-reaching.

Censorship, as normally understood, involves restraints. A government or other authority intervenes to prevent the expression of proscribed views. Viewed by this standard, the CCP's thoughtwork is certainly censorship, but that is only half of its role. The other half entails the active cultivation of views that the government favors. This assertive side of thoughtwork, which has been part of the CCP system from the outset, has been especially important in recent years. Working in tandem, the push and pull components have a powerful influence on public opinion.

The Push

The CCP has always relied less on mechanical or administrative censorship (expunging offensive words or pulling books off shelves) than on the use of fear to induce self-censorship. In the Mao years and their immediate wake, self-censorship was stoked by the announcement of broad and vague prohibitions. Directives like "Criticize Confucius" or "Annihilate Bourgeois Liberalism" might leave people wondering what exactly was meant, but it was abundantly clear that violations would come a hefty price. People had to look inside themselves, and at others around them, to guess at what the government might not like. A safety-in-numbers mentality kept individuals from asserting themselves. Anyone who dared to venture outside the safe area was said to "break into forbidden zones." Such people were sometimes admired, and sometimes regarded as foolhardy.

The same fear-induced self-censorship continues today, except that the relationship between safe and forbidden areas has in a sense been reversed. In Mao's day, expression had to stay within certain bounds, while everything outside was forbidden. Today, one can explore anything beyond certain forbidden topics: the 1989 Tiananmen massacre, the Falungong movement, the China Democratic Party, Taiwan independence, Tibetan or Uyghur autonomy, the Great Leap famine, corruption among top leaders (plenty is said in private on this topic, but not in public), and certain other "incorrect" views on national or international affairs. The list may now include perceptions of government responsibility for the economic slump. Everyone is aware that violation of the forbidden zones, or any other

action that touches the vital interests of the regime, remains extremely dangerous. But the prohibited areas are small enough—especially compared with the large open areas of fashion, sports, entertainment, travel, commerce, and the like—that most people sidestep them easily and come to accept their status. Fear is much less constant and palpable than during the Mao years, and the surface of society seems unaffected.

This appearance of ordinariness disguises a "soft" yet ubiquitous police state. It is not a unitary apparatus of control but a looser network in which central authorities announce policy goals and leave it to local party officials and their hired thugs to pursue those goals as they see fit. There is, accordingly, considerable variation from place to place in the degree and techniques of coercion. Moreover, many people, if they properly self-censor, do not encounter the police state at all. Individuals who do cross a leader or step into a forbidden zone initially receive verbal correction. If that fails, they often face harassment by plainclothes police, including telephone and e-mail surveillance. The next step is job loss and blacklisting, followed if necessary by labor camp, prison, torture, or execution. Not many people slide all the way to the bottom of this slope, but everyone knows where the bottom is. This explains not only why self-censorship works but also why the formation of a true civil society has been impossible under the CCP. There are countless nongovernmental organizations (NGOs) in China, but almost without exception they are controlled or subject to control by the CCP. Any other group whose membership grows to 10 or 20 people is repressed.

The closest thing to a bright spot in this picture is the internet, the first medium in the history of CCP thoughtwork that has proven—so far, at least—impossible to tame. Though there has been no lack of trying. The CCP has established a bureaucracy of eavesdropping internet police that has been estimated in size at 30,000 officers or more. Using technology purchased in developed countries, it has set up filters to block commentary on sensitive topics and even to expunge dangerous terms. It has banned the use of pseudonyms in cyberspace and instituted collective-responsibility mechanisms whereby a whole website can be closed, and its operators held responsible, if errant commentary appears on its pages. The regime has also set up electronic mailboxes to which any citizen can secretly report the wayward words of another. It employs agents-provocateurs, and uses hackers to plant viruses. Despite all this repression, China's netizens continue to use pseudonyms in huge numbers; some mention banned topics by substituting synonyms; others expose real-life scandals by pretending it is fiction. The cat-and-mouse game is as fluid and interminable as the internet itself. Foreign media services—especially Radio Free Asia, Voice of America, and the British Broadcasting Corporation—have been important not only for their traditional broadcasts but for the uncensored news they provide via the internet.

The Pull

The CCP's Department of Propaganda (recently renamed the Department of Publicity) regularly issues secret guidelines to journalists and editors on what news and ideas should be "stressed." In the early 1990s, when Deng Xiaoping was trying to reassure Hong Kong residents about the impending takeover by Beijing, he pledged that "Hong Kongers will rule Hong Kong" under a formula of "one country, two systems." Later, amid concerns that the phrase "Hong Kongers rule Hong Kong" might open the door to too much democracy, a new guideline instructed journalists to downplay that slogan. The "one country, two systems" phrase should be stressed, the guideline said, with emphasis on the "one country" portion.

In recent years, much of the government's guidance of opinion has been aimed at stimulating patriotism and identifying it with the CCP. Textbooks stress China's history of humiliation by the West, while the news media claim that the West wants to "keep China down" and that its talk of human rights is only a tool for this purpose. The audience is told that Japan refuses to acknowledge its war crimes in China, and warned that the Dalai Lama wants to "split the motherland," as do certain people in Taiwan and Xinjiang. This kind of manipulation has been especially effective among young urban elites, a portion of whom are known as *fenqing*, or angry youth. The impassioned and chauvinist expressions of *fenqing* on the internet are one of the more worrisome omens of China's possible future. Many other voices are less extreme but still show clear signs of guidance by CCP thoughtwork.

An important element in this guidance is the selective erasure of history. The disasters of late Maoism—the Great Leap famine and the Cultural Revolution—left a powerful legacy that continues to influence Chinese values and public ethics. (Much of this influence comes in the form of recoil, from extreme asceticism and public idealism to extreme materialism and public cynicism, for example.) Yet today it remains difficult or impossible to discuss the Mao era forthrightly in any public context. In the spectacular review of Chinese history that formed part of the opening ceremonies for the 2008 Olympic Games in Beijing, the world's gaze was led across the ancient dynasties to the triumph of the Communist revolution in 1949, only to skip abruptly to "reform and opening" in the late 1970s. The true history of the Mao era—like the histories of Tibet, Taiwan, World War II, and the CCP itself—is routinely airbrushed from textbooks and other media, replaced only by names, dates, and manipulative slogans. Young Chinese today may be very well educated in mathematics, engineering, or foreign languages and yet live with badly warped understandings of their own country's past. Even worse, they could remain entirely unaware of how they have been cheated.

Thoughtwork is performed through language, and the language it employs would be recognizable to George Orwell. Political pressure on an individual is called help; the violation

of rights is described as the protection of rights; the state controls workers through what are nominally labor unions; suppressing the Uyghur population is called counterterrorism; authoritarianism is dubbed democracy; real democracy movements are denounced as counterrevolutionary rebellions; and a system of servile courts is hailed as the rule of law. The language of CCP thoughtwork adheres to the concept of the Big Lie, a gross falsehood that is repeated without challenge until it is accepted as truth—or something that, for political purposes, is just as solid as truth. Political power in China depends upon maintaining a certain moral pose even if everyone involved knows on some level that the pose is hypocritical.

The Results

CCP thoughtwork has been highly successful in the past few years. The desire of the Chinese people to express national pride is deep and has been pent up for about two centuries. The growth of the economy, the rise of China's international stature, the glory of Olympic medals, and other shining new avenues for the release of patriotic sentiment have been opened, and the CCP has managed to take credit for many of them. It claims, for example, to have "lifted hundreds of millions of Chinese out of poverty." Ordinary Chinese know what actually happened. They remember that the CCP, beginning in the 1980s and 1990s, lifted its foot off their necks with respect to economic matters, while keeping the pressure on when it came to political matters. Finally offered freedom in at least one sphere of their lives, ordinary people channeled an immense surge of hard work into the economy and lifted themselves by the hundreds of millions out of poverty. At the same time, they hoisted many CCP leaders into a stratosphere of opulent wealth. But in CCP thoughtwork this story reads the other way around: the party created everything, achieved everything, stands for everything. Foreigners, where possible, can be blamed for domestic ills, as the current layoffs in China are attributed to the misdeeds of U.S. bankers.

Many Chinese continue to complain about pressing problems like corruption, land grabs, worker exploitation, the wealth gap, disappearing pensions, ad hoc taxes, air and water pollution, and thuggish repression. The closed political system, lacking the independent watchdogs and corrective mechanisms of a democracy, is inherently ill-equipped to deal with the substance of such complaints, but CCP thoughtwork counters them in two ways. One is to encourage the belief that the central leadership remains pure and all of the problems are local deviations. A large number of people cling to this hopeful view. The other device is simple distraction. Demands for clean air are answered with 52 Olympic gold medals, and displaced homeowners are dazzled with a space program.

The CCP sometimes fabricates or exaggerates national-level fears precisely for the purpose of distracting attention. Most Chinese people, left to themselves, care much more about

their own daily lives than about distant places like Taiwan or Tibet. They wake up in the morning worried more about a corrupt local official than about the Dalai Lama. But when CCP propaganda tells them repeatedly that the wolf-hearted Dalai Lama is splitting the motherland, they tend to embrace the view that it is bad to split the motherland and that the CCP is the standard-bearer in opposing this splitting. The stimulation of a fear that did not previously exist has less to do with actual danger than with the CCP's need to strengthen its popular image and divert attention from popular complaints. In recent years the CCP has used incidents involving Japan, Tibet, Taiwan, and the United States for this purpose. In the case of Tibet there is evidence that the triggering incidents themselves have been manufactured for the cause.

Much is at stake for China, and indeed for the world, in the degree to which the push and pull of CCP thoughtwork continues to succeed. Further gains could lead to aggressive chauvinism in a future population whose understanding of its place in history is both narrow and twisted. This possibility suggests parallels with Japan or Germany in the 1930s, or China in the 1960s. Still, there is good cause for hoping that this pattern will not take root. Popular awareness of legal and human rights has been growing in recent years. So have lawsuits and protests, both individual and collective. The CCP's hypersensitivity to this trend is telling evidence of its potential. The slightest sprout of an independent labor union, church, or political discussion group gets noticed and, if possible, either crushed or infiltrated. The anniversary of the 1989 massacre was still so sensitive 19 years later that groups of plainclothes police were sent to accompany 72-year-old Professor Ding Zilin, founder of the Tiananmen Mothers group, as she went to buy vegetables. If the men who command the largest standing army in the world are so leery of an old woman, one can be sure that they do not feel secure in their power.

INTERNATIONAL INFLUENCE

In a relatively short period of time, China has built close diplomatic and economic relations with a wide range of countries across the developing world. In fact, as a result of its charm offensive, China's public image in many developing states is currently far more positive than that of any other major power, even as its efforts in places like North America and Europe founder on human rights concerns and trade disputes. This charm offensive is partly an expression of Chinese "soft power." Many Chinese scholars and officials view soft power more broadly than Joseph Nye, the originator of the term. Whereas Nye described it as the attractive appeal of a country's values, the CCP definition would encompass virtually any mechanism outside of the military and security sphere, including tools that Nye considered coercive, like aid and investment. President Hu Jintao and other party leaders have clearly

Confucius Institutes: Authoritarian Soft Power

One of the tools China has used to expand its international influence and promote its model of governance is the fast-growing network of Confucius Institutes. The institutes, which provide instruction in Chinese language and culture, typically operate as partnerships between Chinese universities and a university in the host country, with the latter supplying a site and other facilities, and the former providing the staff and teaching materials. The centers are supervised by the Chinese Language Council International (Hanban), which sets their guiding principles, budget, and curriculum.[1] The council is composed of representatives from 12 state ministries and commissions, including the ministries of education, foreign affairs, and culture.[2] The Confucius Institutes initiative describes its purpose as "enhancing intercultural understanding in the world by sponsoring courses of Chinese language and culture, so as to promote a better understanding of the Chinese language and culture among the people of the world." However, some observers have raised concerns about the potential effects of Chinese state influence on academic freedom in the host countries. A set of draft guidelines for the institutes suggests that Chinese authorities would require them to comply with political directives on sensitive issues, such as Taiwan's international status or historical inquiry related to persecuted ethnic and religious minorities: "Overseas Confucius Institutes must abide by the One-China Policy, preserve the independence and unity of the People's Republic of China, and . . . refrain from participating in any political, religious or ethnic activities in the country where they are located."[3] The network has expanded rapidly since the first institute opened in Uzbekistan in 2004.[4] There are now more than 295 of the centers in 78 countries, with a total of 500 set to be established before 2010. The existing institutes include more than 20 in Southeast Asia,[5] over 40 in the United States,[6] and more than 70 in Europe.[7] Others have been founded in African countries, including Zimbabwe and South Africa.[8] The project has entailed the deployment of more than 2,000 staff members,[9] and more than 300,000 sets of textbooks and audio materials worth over $26 million.[10]

embraced the idea of soft power, and it has become central to their discourse about China's role in the world. While only five years ago Chinese officials and academics vehemently denied that they had any lessons to offer to the developing world, today they not only accept this idea but use their training programs for foreign officials to promote aspects of the China model of development.

In discussing soft power, CCP officials stress the training programs, effective traditional diplomacy, the growth of public diplomacy projects like the Confucius Institutes, and the appeal of China's economic example, which has sparked particular interest in Africa, Central Asia, and Southeast Asia. However, in the long run China's rulers will need to broaden their appeal to reach the general populations of developing countries. In addition, they may have to expand or adjust their soft power initiative to make headway in the developed world, particularly in Europe, where there may be more favorable sentiment than in the United States.

The CCP leadership's rationale for pursuing soft power is complex. For one thing, it has become more confident and sophisticated in global affairs. The current generation of officials apparently recognized that Beijing must actively cultivate its relations with developing Asian, African, and Latin American countries. China's growing economic, political, and security interdependence with the world, and its demand for natural resources, has forced it to play a larger role in international affairs, while a series of events that were detrimental to America's public image, from the Asian financial crisis to the Iraq war, provided opportunities for a rising power to chip away at the influence of the United States and its allies. In another sense, the wars in Afghanistan and Iraq showcased the overwhelming power and technology of the U.S. military, indicating to the CCP that its hard-power alternatives were limited.

Finally, as China's economic growth has continued without a strong democratic challenge from the new middle class, as other authoritarian states like Russia have also produced high growth rates, and as the economies of established democracies have suffered repeated shocks over the past five years, CCP officials have begun to consider the possibility that their model of development—rather than representing a tactical compromise between communism and free enterprise—might actually be a coherent and exportable system that is objectively superior to liberal democratic capitalism. To articulate and sell this idea, CCP leaders have increasingly appropriated the term democracy and applied it to their own arrangement. Much as the Kremlin under Vladimir Putin described its authoritarian manipulations as "guided democracy," the CCP has twisted the word beyond recognition and stripped off the values that have traditionally defined it. In addition, Chinese officials, academics, and media increasingly point to unrest in places like Kenya and Kyrgyzstan to suggest that Western, liberal democracy is not appropriate for many developing countries.

China's Soft-Power Tools and Strategies

Over the past decade, China has centered its global outreach on one core philosophy. In statements and speeches, Chinese leaders enunciate a doctrine of win-win (*shuangying*) relations, encouraging Latin American, African, Asian, and Arab states to form mutually

beneficial arrangements with China. Win-win relations also focus on the principle of noninterference, which is particularly relevant for developing-world leaders who witnessed decades of intervention by colonial powers and Cold War antagonists.

CCP leaders extend the win-win idea to a range of other arenas, claiming to stand on the side of developing countries in global trade talks and portraying China as a defender of noninterference at the United Nations. As part of this strategy, the win-win philosophy is implicitly contrasted with that of the West, which Beijing portrays as pushing a uniform "democracy agenda" onto developing nations. While upgrading its diplomatic corps and using high-level traditional diplomacy to show developing states that China places a high priority on bilateral relations, China's government has also begun founding its own regional multilateral organizations, like the Shanghai Cooperation Organization (SCO) in Central Asia, which it can use to counter the promotion of democracy. Many foreign leaders have been receptive to China's bid for international leadership. "You are an example of transformation," Madagascar president Marc Ravalomanana told Chinese officials during the May 2007 African Development Bank meeting in Shanghai. "We in Africa must learn from your success."

The CCP also seems to have recognized that it needs to build a broader public appeal and improve people-to-people contacts. This is a critical change from the past approach, which focused almost exclusively on forging relationships with foreign leaders. Beijing has developed the China Association of Youth Volunteers, a Peace Corps–like program designed to bring young people to countries like Ethiopia to work on agricultural and language projects. It has also launched the Confucius Institute project to support Chinese language and cultural studies at universities around the globe. It increasingly provides funding for Chinese-language primary schools in developing countries like Cambodia; students who succeed in these schools often receive scholarships for university study in China.

Training programs for foreign opinion leaders have similarly become a significant soft-power instrument. The Chinese government has begun organizing training programs for media workers and law enforcement officials from Central Asia, Africa, and Southeast Asia, among other regions. These programs are designed in part to showcase the success of China's economic strategy, which involves partial liberalization, protection of certain industries, and maintenance of some degree of state intervention.

Development assistance may be China's most important tool. China has proven especially willing to step up aid to countries like Uzbekistan and Cambodia after other donors express concerns over human rights. It has also dramatically boosted its investment in and trade with developing countries, with the investment often supported by loans on favorable terms. In speeches, CCP leaders suggest that Beijing will be a fairer trading partner than established democracies, helping poorer countries to obtain the technology and skills they

need to develop and enrich themselves. With developed countries, too, China tries to emphasize its role as an influential trading partner in order to win other concessions; in the wake of the global financial crisis, China has emphasized that with its massive currency reserves, it will play a proactive role in managing and combating the downturn. However, these inroads are complicated by popular sentiment in industrialized countries that often blames China for domestic job losses.

China's Range of Partners, and How China's Outreach Threatens Democracy

The CCP's soft-power tools mean different things to China's various international partners. It is important to differentiate between the types of government Beijing has relationships with, and to examine the ways in which these relationships imperil democracy. On the one hand, there is a group of harsh regimes—including those of Sudan, Burma, Uzbekistan, North Korea, and Zimbabwe—whose leaders are seeking only financial assistance and protection at the United Nations and other international bodies. Other tools of soft power are largely irrelevant for these governments, and they have little interest in learning about China's pursuit of economic reform. On the other hand, there is a diverse group of developing countries across Asia, Latin America, and Africa that are receptive to all elements of Chinese soft power. They are seeking economic, political, and cultural ties to China, and because they are not purely authoritarian states, China's allure can extend to the public. These relationships can be more substantial than a simple alliance with an autocrat or ruling clique.

When Beijing initially began building its soft-power strategy, it did not directly threaten global democratization to the same extent as, for example, Russia's strategy under Putin, which was designed from the beginning to push back against democratic reforms in neighboring countries. However, the "color revolutions" in the former Soviet Union frightened the CCP, while the rise of other authoritarian great powers emboldened Beijing to believe that it might have a transferable model. Furthermore, nationalism began to build up within China, and the entire democracy promotion movement faced a global backlash. As a result, the CCP's strategies began to target democracy promotion more aggressively. Over the past decade China has revamped its visitor training programs to more stridently tout the China model and in many ways to belittle liberal democracy. Today, many of these programs focus almost exclusively on the study of a Chinese example of the topic covered, whether economic institution building, local governance, or the creation of a judicial system.

The training programs often involve discussions of how the CCP has managed to open its economy, keep the middle class on the side of the government, and avoid sociopolitical chaos like that experienced during the transition periods in Russia and many other developing economies. In particular, China has begun large-scale training programs for police,

judges, and other security officials from neighboring nations. Since internet filtering and control has been a significant component of China's regime maintenance, training in these methods is also offered to some foreign officials. The Chinese government has provided information and strategies on filtering and firewalling to Burma, Vietnam, Saudi Arabia, Uzbekistan, and several other states.

The scale of this effort is difficult to calculate, but each year the Chinese government trains at least 1,000 Central Asian judicial and police officials, most of whom could be classified as working in antidemocratic enterprises. Over the long term, Beijing plans to step up its training programs for African officials to reach 7,000 to 10,000 trainees per year. The scope of China's broader aid programs is similarly impossible to quantify, but the World Bank estimates that China is now the largest lender to Africa. At a 2007 gathering in Shanghai, Chinese leaders announced that they would offer Africa $20 billion in new financing.

Chinese aid now outstrips that of democratic donor countries in a range of Southeast Asian and Central Asian states. Cambodia, one of Beijing's major aid beneficiaries, provides an instructive example. The Chinese government is Cambodia's largest provider of military aid, most of which goes to antidemocratic security forces that are used as a political weapon by Prime Minister Hun Sen. China has pledged a total of some $600 million in assistance to Cambodia. By comparison, the United States currently provides Cambodia with roughly $55 million in annual aid. The case of Burma shows similar trends. China's government is now the largest provider of assistance, which again is used mainly for antidemocratic activities. Beijing has provided two $200 million loans to Burma over the past five years, and these "soft" loans are often never repaid, essentially making them grants. The United States provides roughly $12 million in annual aid to Burma, mostly for humanitarian and refugee assistance.

These training and aid relationships allow Beijing and its partner governments to provide mutual assistance with their respective domestic concerns. Security training for Central Asian officials, for example, has provided an opportunity for the CCP to promote the idea that Uyghurs are terrorists and separatists, and that they threaten regional stability. This process has paid off over the past decade, as several Central Asian states have begun repatriating Chinese Uyghurs, often with no cause. Like Russia, Beijing is also beginning to develop its own NGOs, some of which are designed to mimic traditional democracy-promotion groups. Rather than building democratic institutions, however, they advise Southeast and Central Asian countries on political and economic development as part of an effort to push back against democratization.

Perhaps the most dangerous aspect of China's growing global presence is that its government now is able to offer more extensive diplomatic protection and support to the

authoritarian rulers of countries like Burma, Sudan, Uzbekistan, and Zimbabwe. The SCO, created by Beijing as a counterweight to U.S. and European influence in Central Asia, plays a pivotal role in this strategy. Both China and Russia have utilized SCO forums to criticize the promotion of democracy and to support Central Asian autocrats as they suppress domestic calls for reform and democratic change.

At the United Nations, Beijing has checked international pressure on human rights abusers like Burma and exploited such moments to improve its bilateral relations with the regime concerned. Soon after the Andijon massacre in 2005 led to increased U.S. and European sanctions on Uzbekistan, China hosted the Uzbek leadership in Beijing and used the opportunity to increase its access to Uzbek natural resources. This pattern is not seen in every case, of course; China has actively cooperated with the international community in managing a recalcitrant North Korea. But this is largely because Beijing sees instability in North Korea as a direct threat to China, and its agenda for that country certainly does not include human rights promotion.

Challenges for Beijing

It remains unclear whether China's soft-power offensive will succeed in the long run. Many developing states worry that the character of trade links with Beijing, which often focus on the extraction of their natural resources, will prevent them from climbing the value-added ladder. This sentiment finds voice in populist politicians like Zambia's Michael Sata, who used anti-China sentiment to rally support in the 2006 presidential election, though his bid for office was ultimately unsuccessful. The fact that large, state-linked Chinese energy and construction companies habitually use transplanted Chinese workers for overseas projects does not endear them to local populations.

Furthermore, as Beijing grows more aggressive in its promotion of the antidemocratic China model, it risks becoming the mirror image of the Western powers it criticizes; it will be "intervening" in other countries' internal affairs, but to squelch rather than to promote democracy. Although Beijing's vows of noninterference appear to be welcomed, some leaders in the developing world are already wondering whether China is committed to this principle. The Chinese ambassador to Zambia in 2006 warned that Beijing might cut off diplomatic ties if voters chose Sata as their president. As the honeymoon period with Beijing comes to an end, civil society groups in countries that receive Chinese aid will begin to speak out more. Many activists are coming to realize that Chinese assistance can contribute to environmental destruction, poor labor standards, rampant graft, and backsliding on democratic consolidation. Still, if Beijing proves flexible enough to use its soft power on both leaders and the public in the developing world, it could mount a serious challenge to the established values, ideas, and models of democracy.

FINDINGS

- The Chinese authorities have forged a multifaceted and increasingly sophisticated set of policies to undermine democratic development. These policies are comprehensive, encompassing the political, legal, social, and media spheres.

- The CCP has deliberately stoked and shaped Chinese nationalism, and many residents now feel pride in the CCP's model of authoritarian development. The party's "thought-work" to this end has come to include, in addition to censorship, the fashioning of textbooks, television documentaries, museums, and other media that spread seriously distorted versions of Chinese history. In a related effort to guide the public's thinking, the word *democracy* has been twisted beyond recognition and stripped of the values that have traditionally defined it.

- While the blunt instruments of media control—harassment, intimidation, and imprisonment—are still used, the Chinese authorities have also developed more nuanced methods to manipulate content and induce self-censorship. These include the commercialization of censorship, through which the authorities effectively outsource censorship tasks to internet-service providers and other private actors. The regime has augmented its domestic media controls with an ambitious, multibillion-dollar plan to upgrade its overseas broadcasts.

- The Chinese government's exertion of international influence expresses itself in several ways. There is one group of harsh regimes—including those of Sudan, Burma, Uzbekistan, North Korea, and Zimbabwe—whose leaders are seeking only financial assistance and protection from China at the United Nations and other international bodies. Another, more diverse group of developing countries across Asia, Latin America, and Africa are receptive to all elements of Chinese soft power. They are seeking economic, political, and cultural ties to China, and because they are not purely authoritarian states, China's allure is allowed to extend to the public. These relationships can be more substantial than a simple alliance with an autocrat or ruling clique.

- The United States and other democracies need to be more aware of the workings of the CCP's soft-power initiatives around the world, and particularly the ways in which they protect and promote authoritarian rule. Democratic states must ensure that diplomats heading to China, its neighbors, and other parts of the developing world are equipped to understand the goals and tactics of such soft-power programs. Where the Chinese

enterprises promote authoritarianism, democratic envoys must have effective means of countering them. This work should not simply focus on China and Chinese projects, it should also remind the host countries' officials and civil society of the virtues of democracy, the pitfalls of an authoritarian development model, and the dangers that would arise if such a model were actually "successful."

NOTES

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IRAN

CLERICAL AUTHORITARIANISM

Abbas Milani

The Islamic Republic has at its disposal a sophisticated and finely calibrated system of authoritarian control that its opponents have often underestimated. The components of this system include a combination of blatant coercion and lingering terror; multiple and increasingly powerful intelligence agencies, particularly within the Iranian Revolutionary Guard Corps (IRGC); a monopoly on radio and television broadcasting; overt censorship; and extensive self-censorship by writers and publishers.

INTRODUCTION

There is considerable disagreement among scholars and analysts about the exact nature of the Iranian regime. Some have described it as a pseudo-totalitarian state or a theocratic despotism, others consider it an example of Max Weber's sultanism,[1] and still others have argued that the regime is a form of "apartheid democracy."[2] However, there is near consensus on two assessments: the Islamic Republic is one of the most despotic regimes in the world, and it represents one of the biggest challenges facing the new U.S. administration.

Iran's nuclear program, its defiance in the face of United Nations resolutions seeking the suspension of its uranium enrichment, and evidence that it is in fact trying to become at least a virtual nuclear-weapons state, if not a full member of the "nuclear club," are only the most urgent aspects of the Iranian challenge.

Other elements of the problem include the Islamic Republic's support for illiberal forces abroad, including Hezbollah in Lebanon, a variety of Shiite forces in Iraq, Hamas in Palestine, as well as warlords and other destructive elements in Afghanistan. The two largest recipients of Iranian aid in Iraq are the organization led by radical cleric Moktada al-Sadr and the Islamic Supreme Council of Iraq, both of which have fielded militias. The Iranian government has declared that it was paying more than $300 million to Hamas to cover public-sector salaries in the Gaza Strip, and it has clearly admitted its financial, ideological, and military patronage of Hezbollah. For example, the regime has repeatedly

boasted, particularly at the end of the 2006 war between Israel and Hezbollah, that supreme leaders Ruhollah Khomeini and Ali Khamenei were the creators and "guides" of the Lebanese militant group.

Iran's nuclear program could trigger not only a new arms race in the Middle East, but also a change in the broader balance of forces. The 20th-century history of the region shows that Iran is a bellwether state, and that its course has ripple effects on neighbors near and far. The existence of sizable Shiite populations in Bahrain (where they form a majority), Saudi Arabia (where they are concentrated in oil-rich provinces), and Yemen (where the recent resurgence of Shiite radicalism threatens the government) could offer Tehran the opportunity to foment more trouble in the region. Saudi Arabia's decision to counter Iran's growing influence, evident most recently in the kingdom's willingness to act as a mediator between the Taliban and the Afghan government, is creating a veritable cold war between the two rivals. In a theological manifestation of this war, Sheikh Yusuf al-Qaradawi, one of the Sunni world's most influential clerics, has declared that Shiism is a form of heresy and issued a call to action to confront Shiite proselytizing in Sunni countries.[3]

Meanwhile, the regime faces little serious opposition at home. Iranian democrats have failed to develop a cogent policy or a unified leadership, and the authorities use a range of tools to sow disunity and confusion among them, disrupting the country's democratic development.

More broadly, the Iranian leadership hopes to emulate the Chinese model by using improvements in the population's economic situation to guarantee its continued authoritarian grip on power, although the regime's economic incompetence suggests that this approach is untenable.

Pursuit of the Chinese model also entails growing cooperation with China, India, and the rest of the Asian countries. Such a realignment, if fully achieved, would be of epochal magnitude: despite the ruling elite's inclinations, Iran has looked westward for its cultural, political, and economic alliances for most of the last two millennia. The economic foundation of this pivot is a proposed pipeline that would connect Iran to India and China, leaving the country completely independent of any market pressures from the west.

For the present, however, the global economic crisis is crippling the Iranian economy. Should oil prices remain at low levels, they are bound to hamper the regime's ability to pursue its goals, both at home and abroad. There are also growing signs of public dissatisfaction, and the government has begun reorganizing its coercive apparatus to withstand future domestic instability. It is in this set of complex and volatile circumstances that the Iranian state's internal order and international pursuits must be understood.

DOMESTIC METHODS OF CONTROL

The Islamic Republic has at its disposal a sophisticated and finely calibrated system of authoritarian control that its opponents have often underestimated. The components of this system include a combination of blatant coercion and lingering terror; multiple and increasingly powerful intelligence agencies, particularly within the Iranian Revolutionary Guard Corps (IRGC); a monopoly on radio and television broadcasting; overt censorship; extensive self-censorship by writers and publishers; and the public's religious fears and beliefs. The regime also employs a form of mass bribery to control the population. The authorities spend an estimated $70 billion to $100 billion annually on all manner of subsidies, from bread and sugar to gasoline and electricity. However, this is offset in part by the petty bribery of officials, which has become an endemic fact of life. The postman will not deliver mail without extra compensation, while it is widely believed that ministers and IRGC commanders take kickbacks on nearly all public contracts. The state's manipulation of public funds is designed to punish political opposition, reward loyalty, and generally neglect those who remain passive or neutral.

Society is effectively divided into insiders (*khodis*), the minority who defend and depend upon the regime, and outsiders, the majority who have no chance at meaningful leadership in the system. The insiders occupy all political posts and are supported by stipends, salaries, and lucrative no-bid contracts. They also engage in serious factional feuds that often play out in what might be called an apartheid democracy: members of the ruling group compete with one another in Iran's tightly restricted elections, seeking a bigger piece of the economic and political pie. These feuds propel insular, undemocratic politics, as they enable Supreme Leader Khamenei to use his role as referee to reinforce his overarching power. At the same time, they offer a potential catalyst for democratic openings.

In keeping with its pseudo-totalitarian nature, the regime has sought to forge a new Islamic man or woman—pious, loyal, and xenophobic, particularly with respect to the United States and Israel. It simultaneously tries to foster a discourse of democracy that borrows structural elements from the Soviet side of the Cold War ideological debate. It offers what it calls genuine Islamic democracy, arguing that this form of governance protects the true interests of the underclass (*mostazafan*). As with Plato's philosopher kings and the visionary leaders of Soviet communism, Iran's benevolent rulers are said to have access to higher truths that enable them to govern more successfully than the common man. The most important of these leaders, of course, is the *Valiye-Fagih* (Guardian Jurist or Supreme Leader), whose wisdom and legitimacy are both of divine origin. This ideal "democracy" is set up in opposition to what the regime dismisses as the bogus, bourgeois democracy of

the West, where a liberal veneer covers the despotic nature of a system that caters to the rich (the *mostakbarin*, or arrogant ones). The Islamic Republic has deftly used pictures and reports from the war in Iraq to argue that liberal democracy begets chaos. Similarly, officially controlled media have celebrated the recent financial crisis as the death knell of liberal democracy, and Russia's invasion of Georgia has been touted as the last nail in the coffin of America's insidious democracy-promotion scheme.

Iranian democrats, from the women's movement to the student and labor union movements, have worked hard to expose and fight the regime's authoritarianism. In order to shape a genuine democratic discourse that is at once local and global, they hearken to the realities of Iranian society while remaining fully cognizant of the most recent developments in democratic theory around the world. The recent focus of the women's movement on the idea of gathering a million signatures to demand gender equality in Iran, and the incredibly prolific writings of activists like Noushin Ahmadi—who has translated and published dozens of books on the theoretical foundations of feminism—are promising examples of this pattern. Ironically, this democratic discourse is now being confronted with the resurgence of a kind of Marxist-Stalinist orthodoxy among a small but vocal and organized minority of Iran's youth.

There are many signs that the regime has failed in its grand social engineering project. Indeed, according to both empirical and anecdotal evidence, the government is deeply isolated from the vast majority of the people. Iranian youth, who comprise about 70 percent of the population, are surprisingly global in their disposition, savvy in their use of the internet, and secular in their values and ideals. A kind of craven consumerism, a hunger for the latest European and American fads, is rampant among some sectors of the youth and middle class. Society's dismay with the status quo is registered by the secular, melancholic, and defiant music of Mohsen Namjoo; dozens of other underground rock, jazz, and hip-hop groups; and the many films, novels, and short stories that are published despite the regime's draconian censorship. Double-digit unemployment and inflation have heightened the economic aspect of Iranians' despair.

A recent poll conducted for the parliament by the Ministry of Intelligence found that only 13 percent of the population would vote for President Mahmoud Ahmadinejad in the 2009 election. The regime's unpopularity has forced it to exercise its many mechanisms for vetting candidates, including the intelligence agencies, local committees and Basij militia offices, and the Guardian Council, which must approve all would-be contenders. Even after narrowing the field in this way, the leadership has been obliged to use other resources to control the electoral results. A recent article in the daily *Keyhan*, widely considered a semiofficial mouthpiece for Ayatollah Khamenei, indicated that Ahmadinejad won the last election only through the active support of the IRGC and the Basij.[4]

Faced with these troubling social and political signs, and increasingly aware of the country's extreme economic fragility, the regime recently restructured its most powerful means of survival and repression, the Revolutionary Guards. The IRGC, long focused on defending the country against foreign enemies, is now fighting "domestic foes" and eliminating threats to the regime. In line with its new priorities, the IRGC has a new configuration, with 31 sections corresponding to geographical districts. The IRGC district commanders now directly oversee the two to five million members of the Basij, the regime's gang-like militia. These steps suggest that the state has been retooling its oppressive apparatus in anticipation of growing turbulence.

Oil is a critical regime tool for influence and control. Most social and political scientists have come to agree that oil wealth is poisonous for democratic development, particularly in economically developing countries. In Iran, the state's monopoly on oil revenues allows it to reward its most reliable allies. Commanders of the IRGC have become increasingly involved in the economic field, amassing often fantastic and invariably illicit fortunes. To further ensure the allegiance of these commanders, Khamenei recently decreed that one of the foundations linked to the IRGC, the Mostazafan Foundation, would henceforth be allowed to directly sell a portion of Iran's oil on the international market.

But even windfall oil revenues in recent years have been unable to mask the regime's failed economic policies. Ahmadinejad has repeatedly dipped into the foreign currency reserve—initially set up to allow Iran to weather sudden drops in the price of oil—and used the money to implement his favored economic ideas or simply to saturate the markets with imported commodities. Infrastructural investments have been sadly wanting.

The regime has also used Iranian nationalism to advance its interests. Although it initially tried to dismiss nationalism and love of the nation (*mellat*) as a "colonial project" created by the West to undermine the unity of the broader Islamic community (*umma*), the war with Iraq in the 1980s taught the regime the value of nationalism. In recent years, it has scored arguably its most important propaganda coup by convincing many in the country that its nuclear program is the embodiment of Iranian nationalism. Another facet of this achievement has been the government's ability to tell the world that there is a national consensus on the nuclear issue. No such consensus exists, and there are powerful pockets of resistance to the idea that love of Iran dictates support for the reckless nuclear program. From Shirin Ebadi and Akbar Ganji to the Freedom Movement and the Organization of the Islamic Revolution, many have voiced their doubts about the wisdom of the project.

Exploiting Iranians' sense of pride and competition in another way, the regime cleverly uses sports—particularly soccer—to redirect the disgruntled population's attention toward nonpolitical issues. Many have argued that the state takes this technique of distraction to a darker extreme by willfully ignoring the growing epidemic of addiction to opium, heroin,

Bulwark Against Democracy: Iran's Islamic Revolutionary Guard Corps and the Basij

Iran's 125,000-strong Islamic Revolutionary Guard Corps (IRGC) has emerged as one of the most powerful political and economic forces in Iran and, along with the Basij Resistance Force and the state intelligence services, is part of a network of deeply illiberal and nontransparent institutions that serves as a bulwark against democratic development. A self-described "people's army," the IRGC was created to ensure internal security, serve as a counterweight to the regular army, and protect the ideals of the 1979 Iranian Revolution. Along with the religious police, it enforces adherence to the Islamic faith, and it has sole jurisdiction over patrols of Tehran.[1] The IRGC's special operations arm, the Quds Force, is responsible for spreading the IRGC's ideology beyond Iran's borders. It has reportedly provided training and roadside explosives to Iraqi Shiite militias for use against U.S. and British forces, and it allegedly supplied missiles to Hezbollah in Lebanon during that group's 2006 war with Israel.[2] The IRGC's intelligence unit operates in collaboration with Iran's Ministry of Intelligence and Security (MOIS), which is composed of 15,000 civilian staff members. In 2007, the U.S. State Department formally designated the IRGC as a terrorist organization. The IRGC's wide-ranging activities in domestic economic and political affairs, coupled with its considerable military capabilities, makes it an institution with exceptional power. It is used to repress political opposition and informally vet political candidates. Former IRGC commanders make up two-thirds of Iran's 21-member cabinet, and former officers hold 80 of the 290 seats in the parliament. President Mahmoud Ahmadinejad, also an IRGC veteran, has used his authority over the Corps to increase his own political and economic influence.[3] Current and former IRGC commanders have extended their economic reach considerably, with enterprises including an engineering arm that dominates the oil and gas industries, government construction projects, and a network of dental and eye clinics. Analysts estimate that the IRGC has ties to more than 100 companies, controlling an estimated $12 to $15 billion in the business, construction, and engineering sectors.[4] The Basij Resistance Force, founded by Ayatollah Ruhollah Khomeini in 1979 and operating under the command of the IRGC, is a voluntary paramilitary organization tasked with both domestic security and defending the regime against international threats.[5] As of November 2008, the force claimed to number 13.6 million, or roughly 20 percent of Iran's population, though experts believe its true mobilization capacity is closer to one million.[6] Like the IRGC, the Basij are also believed to be involved in a range of state-run and other economic schemes.

methamphetamine, and other drugs. A population of addicts worries more about its next fix than the "fixed" nature of elections or the government's ongoing failure to address looming systemic problems.

INTERNATIONAL INFLUENCE

The regime has a multifaceted policy for augmenting its international influence. Its elements range from public to covert, take shape in different arenas, and are geared toward different constituencies. Tehran's most obvious public campaign to increase its global leverage plays out in international organizations. In the United Nations, Iranian officials have worked assiduously to create ad hoc coalitions against the United States and Israel, drawing on support from a number of developing and Muslim countries. Iran's recent failed attempt to join the UN Security Council was a clear manifestation of this effort. Anti-American sentiment has been similarly employed to stave off critical reports by the International Atomic Energy Agency (IAEA), and Tehran has relied on China and Russia to block Security Council resolutions on the nuclear issue.

These opportunistic and often ideologically incongruous coalitions are bolstered through the dogged cultivation of bilateral and regional ties. Iran has attempted, so far unsuccessfully, to join the Shanghai Cooperation Organization (SCO), which consists of China, Russia, and four Central Asian states. It has had more luck building an economic relationship with China, thanks largely to that country's hunger for oil and gas resources. India, which competes with China for energy imports and has a tradition of Cold War–era nonalignment, has also been relatively receptive to Tehran's overtures. The regime has built economic and political ties with Russia in part by drawing Moscow into its nuclear energy program, purchasing Russian weapons systems, and voicing early support for Russia's August 2008 invasion of Georgia.

Reaching somewhat farther afield, the Iranian regime has aligned itself with Cuba, Venezuela, and Bolivia, promising large investments and joint ventures that are typically based on political expediency rather than real economic benefits. A prime example has been the establishment of direct flights between Tehran and Caracas, which often carry only a handful of passengers. These long-distance relationships allow the leaders in each country to claim that they have cleverly outflanked attempts to isolate them internationally.

The Islamic Republic has made efforts in recent years to improve its relations with other Muslim countries in the Middle East, even suggesting that it should join Arab blocs and form a security organization with its Arab neighbors across the Persian Gulf. However, this prong of its foreign policy is seriously undercut by its long-standing support for radical and violent Islamist organizations across the region, including Hezbollah in Lebanon, Hamas in Palestine, Shiite militias in Iraq, and multiple factions in Afghanistan. Such support allows

the regime to portray itself as the leader of the Islamic world in a struggle against its enemies, and regular conferences of these types of organizations are hosted in Tehran to amplify the message.

In addition to its ties with foreign governments and militant groups, the regime makes direct appeals to foreign audiences by sponsoring television and radio networks aimed at the English- and Arab-speaking worlds, including Press TV and Al-Alam. Moreover, the Iranian state has used symbolic gestures to spectacular effect, for example by pledging $1 billion to help Lebanese Shiites rebuild their homes after the war with Israel, or by offering millions of dollars in free electricity and other services to the Shiite parts of Iraq. Ahmadinejad's many rants against Israel must be seen in this context, as part of a larger effort to claim an international leadership role and win the sympathy of foreign populations who are frustrated with their own government's stances. Many in Iran's reformist movement and even more in the secular opposition have voiced their anger at what they see as the wasteful foreign disbursal of funds that would be better spent on Iran's own pressing economic troubles.

Aspects of the regime's public outreach have drawn the ire of some in the Muslim world. Recent calls by al-Qaradawi, the prominent Sunni scholar and television personality, to resist what is characterized as the Shiite invasion of Sunni societies, are a notable sign of this backlash against Tehran's propaganda.

However, it must be remembered that the Iranian regime's well-funded international strategy serves multiple purposes. It helps to solidify Iran's role as a leader of the radical Islamist movement, enhances its alliances with important world and regional powers, and prevents the formation of a united front against it in international forums. But it also drums up security crises and fans hostility abroad to keep the minds of ordinary Iranians from focusing on their own domestic travails and gross official mismanagement. In this sense the conflicting goals and sometimes theatrical quality of Iran's foreign ventures are less problematic from the regime's perspective, as they only enhance the potency of the distraction.

FINDINGS

- The Iranian regime has a multifaceted policy for augmenting its international influence, which takes shape in different arenas and is geared toward a range of different constituencies. Tehran's most obvious campaign to increase its global leverage plays out in international organizations. In the United Nations, Iranian officials have worked assiduously to create ad hoc coalitions against the United States and Israel.

- Iran's Islamic Revolutionary Guard Corps (IRGC) has emerged one of the most powerful political and economic forces in the country. Along with the Basij Resistance Force

and the state intelligence services, it is part of a network of illiberal and nontransparent institutions that acts as a bulwark against democratic development.

- As part of a broader soft-power effort, the Iranian authorities have invested considerable resources into a number of media initiatives. The regime makes direct appeals to foreign audiences by sponsoring television and radio networks aimed at the English- and Arab-speaking worlds, including Press TV and Al-Alam.

- Iranian democrats have failed to develop a cogent policy or a unified leadership, and the authorities use a range of tools to sow disunity and confusion among them, disrupting the country's democratic development. Iran would benefit from initiatives that foster greater democratic discourse

- The global economic crisis is crippling the Iranian economy. Should oil prices remain at low levels, they are bound to hamper the regime's ability to pursue its goals, both at home and abroad. There are also growing signs of public dissatisfaction, and the government has begun reorganizing its coercive apparatus to withstand future domestic instability.

NOTES

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3 For a discussion of these developments, see Israel Elad Altman, "Iran and the Arabs: The Shi'itization Controversy Between Al-Qaradawi and Iran," *Iran-Pulse* no. 25 (October 24, 2008).

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PAKISTAN

SEMI-AUTHORITARIAN, SEMI-FAILED STATE

Rashed Rahman

The dream of a friendly regime in Kabul that would provide Pakistan with strategic depth and deny India leverage on its western flank is alive and well. The unintended consequence of this policy of preserving the Afghan Taliban as a strategic asset has been blowback in the shape of the Pakistani Taliban, who do not appear to be under the control of their erstwhile mentors in the Pakistani military establishment.

INTRODUCTION

Pakistan has been in a permanent state of crisis since it was carved out of the Indian subcontinent in 1947. Of the range of factors responsible for this state of affairs, the most important is the failure to establish a democratic system of governance. For more than half of Pakistan's 62-year existence, the military has dominated politics and national life, stifling the development of credible democratic institutions. Even during the interregnums that have punctuated direct military rule, when civilian governments have been in power, the military has cast a long shadow over politics and the national agenda.

Yet this overweening military presence has always faced resistance from the democratic forces in society, and the political agenda still revolves around representative government. The struggle between the military's desire to dictate the country's course and the people's aspirations for self-rule is by no means resolved, despite the elections of February 18, 2008—one of the few relatively clean polls in the country's history—which brought the Pakistan People's Party (PPP) to power following the assassination of its leader, Benazir Bhutto.

Benazir's widower, Asif Ali Zardari, emerged as Pakistan's most powerful politician in the wake of her death. Today he not only dominates decision-making within the PPP (and arguably wields overwhelming influence in the ruling coalition), he has also been elected to succeed General Pervez Musharraf as president.

The PPP-led government faced formidable challenges upon assuming office. Of these, four in particular stood out as critical: the restoration of the judiciary, which had been emasculated by Musharraf during the state of emergency imposed on November 3, 2007; the

removal of Musharraf from the presidency; the reinvigoration of the foundering national economy; and the management of the war against jihadi extremism. Any or all of these had the potential to destabilize the new government, and its efforts to cope with them to date have produced mixed results at best. Musharraf has gone, but he remains safe from prosecution, no doubt as part of the deal that led to his peaceful resignation. The deposed judges of the senior judiciary have been reinstated, but only reluctantly and at the 11th hour, when the popular mobilization associated with the lawyers' protest movement threatened the government's grip on power. Zardari was also nudged into action on the judges by the military, and by both Britain and the United States. Meanwhile, the government's other two challenges have not been addressed.

The fate of the PPP-led government, and of the nascent democratic order, will ultimately be decided by their ability to halt the country's economic meltdown and the insurgency that has exacerbated it. If these twin problems are tackled, Pakistan may yet wriggle free of its broader morass of difficulties. If they go unchecked, however, the country could come to resemble the failed state that many analysts have predicted. Given Pakistan's strategic importance, its possession of nuclear weapons, and its role as a base for both domestic and transnational militant groups, the stakes of the crisis are immense and growing.

DOMESTIC CONDITIONS

The roots of Pakistan's democracy deficit can be traced to the very foundation of the state. After the long struggle by a united India for independence from British colonialism, the lingering Hindu-Muslim divide was finally and bloodily resolved by Partition. The great two-way migration of humanity that ensued was accompanied by devastating communal massacres and bloodshed. Some one million people were killed in all. This formed the basis for the bitter, enduring enmity between the new states of Pakistan and India.

For nine years after Pakistan's creation, the Constituent Assembly was unable to agree on a constitution. The biggest stumbling block was the refusal of the powerful political, bureaucratic, and military elite of the province of Punjab to accept the principle of one man, one vote. Since the eastern wing of the country, separated from the western portion by a thousand miles of hostile Indian territory, held a majority of the population, the Punjabi oligarchy feared that acceptance of this fundamental democratic principle would permanently shift power to the Bengalis of East Pakistan. That concern was at the heart of the crisis of 1971, during which East Pakistan, with the help of Indian military intervention, broke away to form what is now Bangladesh.

The Pakistan that remained in the west also suffered from deep flaws in its federal structure. Despite the 1973 constitution's lip service to the principle of provincial

autonomy, the three smaller provinces of Sindh, Balochistan, and North West Frontier Province (NWFP) continue to voice serious complaints about the dominance of Punjab in state institutions. The province's power stems not just from the weight of its population, which accounted for 56 percent of the total in the last census in 1998, but also from the disproportionate recruitment of military, bureaucratic, and police personnel from Punjab. The operation of these largely Punjabi-staffed state institutions in the smaller provinces has engendered cries of "internal colonialism" and separatist sentiments. Balochistan is now in the throes of the fifth round of military suppression and local resistance since the country's independence. Subnationalist ambitions in Sindh and NWFP have declined over the years. In Sindh this is due to the increased weight of its chief political parties, the largely rural-based PPP and the more urban Muttahida Qaumi Movement (MQM). Such sentiment in NWFP has been eclipsed by the decades of wars in neighboring Afghanistan. Nevertheless, resentments at perceived deprivation of political, economic, and cultural rights simmer just below the surface in all three of the smaller provinces. Failure to resolve this long-standing conundrum could threaten the country's democratic development and ultimately the viability of the Pakistani state.

Given Pakistan's strategic importance, its possession of nuclear weapons, and its role as a base for both domestic and transnational militant groups, the stakes of the crisis are immense and growing.

The rivalry with India and the instability of Pakistan's internal structure have been exploited to justify the military's outsized role in the country. Even during the brief periods of civilian government, the military has more often than not called the shots. Unfortunately, it is woefully ill-equipped to address Pakistan's fundamental problems. The last military regime, led by General Musharraf, left a country divided, economically bereft, and threatened by the emergence of jihadi extremist groups aligned with the Afghan Taliban and Al-Qaeda. Indeed, the military's irresponsible sacrifices and mismanagement with respect to the Taliban, all in the blinkered pursuit of a hidebound national security principle, may provide the clearest illustration of the dangers of military rule.

In 2004, for the first time in Pakistan's history, the military blundered into the Federally Administered Tribal Areas (FATA), a rugged border region between Pakistan and Afghanistan. It is inhabited by fiercely independent tribes that have traditionally been permitted to rule themselves with a minimum of central government oversight. The army entered the FATA to

curtail the mounting activities of extremist groups, but its campaigns have been consistently undermined by a contradictory desire within the military and intelligence establishments to create "strategic depth" in the standoff with India. They hoped to accomplish this by exporting Islamist militancy and sponsoring a pliant Islamist regime in Afghanistan that could prevent Indian encirclement and provide Pakistan's security planners with a hefty geographical backstop.

That approach has become increasingly untenable since September 11, 2001, and the subsequent overthrow of the Taliban regime in Afghanistan. The FATA had served as the main staging post for guerrillas fighting the Soviets in Afghanistan, and for the Taliban as they sought to control the country in the years after the Soviet withdrawal. The region took on this role again after 2001, as the ousted Taliban and their allies in Al-Qaeda battled U.S. and NATO forces in Afghanistan. The situation was complicated further by the emergence of a native Pakistani Taliban movement, now united under the banner of the Tehreek-i-Taliban Pakistan (TTP). This group apparently owes its allegiance to Afghan Taliban leader Mullah Omar, who is widely believed to be based near Quetta, the capital of Balochistan province. The Pakistani Taliban's formation is directly tied to the metamorphosis of local tribal facilitators of the Afghan fighters into warlords in their own right. Their long-standing role as hosts of the Afghan forces has been reinforced by the enormous funds and powerful weapons they have received from their Afghan Taliban and Al-Qaeda guests.

Although Musharraf agreed to join U.S.-led antiterrorism efforts after September 11, providing bases and logistical support to the U.S. and NATO forces in Afghanistan, he and his military advisers apparently clung to the old strategic vision. The calculation appears to have been that Pakistan could continue to extract financial and military aid from the United States in return for cracking down on Al-Qaeda (95 percent of the militants sent to Guantanamo Bay were suspected members of Al-Qaeda), while preserving the Afghan Taliban as strategic assets, in anticipation of the day when the United States would tire of the Afghan war. At that point the Pakistani military establishment could return to "business as usual" in Afghanistan through the largely intact Afghan Taliban. Thus the dream of strategic depth provided by a friendly regime in Kabul that would deny India leverage on Pakistan's western flank remains alive and well. The unintended consequence of this policy has been blowback in the shape of the Pakistani Taliban, who do not appear, suspicions to the contrary notwithstanding, to be under the control of their erstwhile mentors in the Pakistani military establishment.

The government's performance in these matters has pleased no one, with some objecting to the alliance with the United States and others decrying the state's seeming retreat before the advancing Taliban insurgency. However, the military's long dominance of the country's

domestic affairs has left an atrophied civilian establishment that has been hard pressed to provide fresh leadership.

The political class in Pakistan is still dominated by the owners of large landed estates, who are far from consistent democrats. Their participation in the electoral process is essentially aimed at preserving their traditional power of patronage over a largely poor and illiterate rural populace. All efforts at land reform based on agricultural efficiency and social justice have fallen foul of this "feudal" class, who have been able to manipulate the system to their advantage and ensure their continued dominance of political, economic, and social life in the countryside.

The industrial and business sector in Pakistan owes its emergence and prosperity to state largesse. Such a "hothouse" entrepreneurial class lacks the political vision and economic independence to support democracy, the optimal political infrastructure for the growth of private commerce. There is no evidence that any significant part of this class has ever resisted military intervention or dominance of the political agenda. They are clearly wedded to an authoritarian dispensation, so long as their links to the state are intact and their short-term profits are secure.

The class of mullahs has its own agenda: to ensure that there is no deviation from what has incrementally become the leitmotif of Pakistan: an Islamic state that is theoretically founded on the principles enunciated in the Koran and the Sunnah. Starting from General Zia ul-Haq's period in power (1977–88), the decade of the 1980s saw a mushroom growth of madrassas (religious schools or seminaries) funded largely by Saudi donations. When Pakistan was founded in 1947, there were only 189 madrassas in the country, divided between various competing schools of Islamic jurisprudence. By 2002, however, there were between 10,000 and 13,000 unregistered madrassas with 1.7 to 1.9 million students. In 2008, one estimate put the number of madrassas at over 40,000. This bumper crop of religious schools with a particular ideological bent produced generations of jihadi extremists among the millions of Afghan refugees on Pakistani soil (from whom the Taliban eventually emerged), but also among Pakistani youth who undertook such training. Today's suicide bombers, and arguably the flow of fresh recruits who replace them, owe their origins to these seminaries. In addition to traditional Islamic teaching, the madrassa curriculums in question tend to inculcate a rejection of anything to do with "the West," and a narrow interpretation of their school of jurisprudence that tends to strengthen (violent) religious sectarianism.

Given these illiberal forces within the ruling classes, the holding of elections and the lip service to democracy in Pakistan's political discourse appear insufficient to nudge the country toward a state built on genuine democratic principles. A transformation of that kind would require an unprecedented popular mobilization to shake off the benighted defenders of the status quo.

The military has apparently recognized the need to improve its manipulation of popular opinion in a bid to forestall such a development. Under Musharraf, it sought to actively "manage" the political process and allowed an explosive growth in print and electronic media, having noted the failure of Pakistan's state-run television to make the country's case during the Kargil War of 1999, particularly when faced with competition from the Indian and international media. This experiment in political and media management ended in ignominy after Musharraf made the mistake of trying to eviscerate the judiciary, a naked departure from the democratic discourse that antagonized a significant segment of the professional class and galvanized existing opposition groups. The elected government that succeeded Musharraf sought to bolster Parliament as the supreme source of power and legitimacy, but it is far from certain that Pakistan will be able to break free of the antidemocratic inertia that permeates large parts of the polity and even the media.

The vibrant private media outlets that have emerged in recent years continue to suffer from a dearth of experienced and knowledgeable practitioners, partly due to the failing state-run education system. These outlets' rough professional edges, inadequate knowledge, and lack of familiarity with the ethics of best media practice have been all too clearly on display. The infant media sector may grow into a responsible entity over time, and pressure from readers and viewers could contribute to such a healthy development. Already there are signs of weariness and even despair at some of the media's irresponsible excesses. But the accountability of the new outlets must be left to their audiences and, hopefully, ethical self-regulation mechanisms. While ideal in any country, this arrangement is doubly important in Pakistan, which has an unfortunate history of state intervention to curb media freedoms. Without an unfettered and responsible media sector, democratic development will be seriously hobbled.

Even as it confronts these historical, structural, and social obstacles, Pakistan will also be shaped by its interactions—both positive and negative—with the world beyond its borders. Its strategic position, unique security challenges, and elusive democratic potential will no doubt attract close international attention for some time to come.

INTERNATIONAL INFLUENCE

Pakistan is a country of enormous geopolitical importance. The second largest Muslim country in the world by population, it has always confronted two insecure borders: in the west with Afghanistan, which does not recognize the Durand line marking their mutual frontier, and in the east with India, which controls much of the disputed region of Kashmir. India is seen by Pakistan's military as the preeminent threat, although this is not necessarily the

case among average Pakistanis, who generally seek normal relations and greater economic engagement with India. Pakistan's army has also sought to influence governments and events in Afghanistan since the 1980s, and the many years of warfare in that country have stymied Pakistan's efforts to create trade routes to Central Asia. Meanwhile, Pakistan has become increasingly dependent on the Middle East for jobs, remittances, and government loans.

An eventual restoration of the Afghan Taliban regime, or a renewed Afghan civil war following a foreign troop pullout, would embolden the triumphant Pakistani Taliban to effectively overrun the state. There would clearly be little room for democracy in such an environment.

A section of the liberal intelligentsia in Pakistan believes that Pakistani society has demonstrated over time its basic inability to move the country onto a democratic path. These frustrated reformists therefore pin their hopes on international pressure, enhanced by Pakistan's economic and strategic dependence on powerful friends like the United States, to push the state and society along a course of incremental change.

The problem with such hopes is that no state or society in history has been transformed along democratic lines through foreign influence alone, no matter how benign. Recent failures in Afghanistan and Iraq only serve to reinforce this lesson. Without the political will and vision of a significant section of the citizenry and political class to carry out far-reaching reforms, no credible democratic order is likely to see the light of day in Pakistan in the foreseeable future. The current elected civilian government largely represents the traditional political class, which has predictably returned to its habits of rent-seeking, patronage, and a singular lack of serious debate. The October 2008 in-camera security briefing to a joint session of Parliament provided jarring evidence of the legislators' lack of deep consideration of what is arguably the greatest threat to the state in Pakistan's short and violent history.

These weaknesses and antidemocratic tendencies within the political establishment leave the door open to military influence, the real obstacle to democratic progress. Although the new army chief, General Ashfaq Parvez Kayani, has ostensibly distanced the army from politics, Pakistan's own history and similar cases in the developing world suggest that such retreats tend to be tactical rather than strategic. The essentially unreformed military retains the wherewithal to reenter the political fray as the nation's self-anointed savior once its public image recovers from the damaging association with Musharraf.

While foreign powers cannot control Pakistan's democratic development by standing in for the moribund political class and staring down the military, they do not have the option of allowing the country to succumb to an economic meltdown and a jihadi insurgency, not the least because a nuclear arsenal is at risk. Even under current conditions, there are suspicions that confessed nuclear proliferator A. Q. Khan—recently freed from house arrest by the courts—and his international technology-trading network could resume their clandestine activities.

U.S. and NATO forces in Afghanistan have consequently watched with great interest as Pakistan struggles to cope with the Taliban insurgency. Until recently they had strong misgivings about attempts by the Pakistani authorities to reach negotiated political settlements with the Pakistani Taliban. However, given the growing sense that the existing military strategy in Afghanistan has failed, the United States and NATO are warming to the idea of negotiations with "moderate" elements of the Afghan Taliban. Such talks could conceivably lead to a power-sharing arrangement in Kabul, followed by a hasty withdrawal of U.S. and NATO forces. Pakistanis, perhaps with the exception of the military, cannot view this possibility with sanguinity. An eventual restoration of the Afghan Taliban regime, or a renewed Afghan civil war following a foreign troop pullout, would embolden the triumphant Pakistani Taliban to effectively overrun the state. There would clearly be little room for democracy in such an environment.

If Pakistan's international friends and supporters are to prevent these sorts of outcomes, they must play their role in encouraging the evolution of democratic institutions. The country's elected representatives arguably need help to comprehend the advantages of pulling their weight in the transition to a genuinely democratic order. Only a fully engaged civilian leadership, supported and corrected by a well-informed electorate, can wrest control of Pakistan's domestic governance and policymaking away from the military and its antidemocratic fellow-travelers.

FINDINGS

- Pakistan presents a complex set of challenges at the national and international levels, including the economic meltdown facing the country and the menace of jihadi extremism. These two problems have now become inextricably linked, as the growing insurgency is directly affecting the health of the economy.

- The emergence of vibrant private media, along with a nascent civil society, is one of the most important positive developments in Pakistan in recent years. Nevertheless, the media sector faces considerable obstacles related to the cultivation of a more mature

class of media professionals, and the mounting economic crisis will place added pressure on the industry. Moreover, illiberal voices, including extremists in the Swat region, are threatening to smother open discussion and thwart the progress of democratic development.

- The contradictory aims of the military and intelligence establishment with respect to the Taliban and related groups appear to be dragging the country toward disaster. This dogged adherence to a failed security policy, unchecked by elected civilian leaders, may be the clearest illustration of the dangers of military rule.

- The military's long dominance of the country's domestic affairs has left an atrophied civilian establishment that has been hard pressed to provide fresh leadership. Military rule has not been the solution to Pakistan's challenges. Efforts to deepen and improve the quality of Pakistan's democracy are therefore all the more urgent.

RUSSIA

SELECTIVE CAPITALISM AND KLEPTOCRACY

Daniel Kimmage

The Kremlin deploys the conceptual vocabulary of the new Russia—national renewal, anti-Western xenophobia, sovereign democracy—through a sophisticated domestic communications strategy that marshals both the traditional state resources and much-expanded control over virtually all mainstream mass media. This one-two punch, coming amid a period of rising prosperity, has had a significant impact on popular opinion, and the Kremlin's message has resonated with its intended recipients.

INTRODUCTION

When Russian tanks halted their advance a few kilometers from Tbilisi in August 2008, with the Georgian army in full flight and Georgia's allies in Europe and the United States reduced to fulmination, the global consensus on the meaning of the invasion was swift and bracing: Russia was back, a force to be reckoned with, and intent on reclaiming its lost share of import and influence among nations.

This consensus is as wrongheaded and simplistic as the previous incarnations of conventional wisdom it has replaced: first, that Russia was engaged in a rollicking, rollercoaster transition from communist torpor to liberal democracy and a free-market economy, and then, when that fine vision foundered in financial crisis and sundry misadventures toward the end of the 1990s, that Russia had become mired in some intermediary phase of its supposed transition and might soon slink off history's grand stage altogether.

A transition did take place, but it was not to the hoped-for liberal democracy grounded in a free-market economy and the rule of law. Instead, it was a shift from the failing yet still functional bureaucratic authoritarianism of the late-Soviet period to a flashier, more footloose authoritarianism that rests on selectively capitalist kleptocracy, the dominance of informal influence groups, a decorative democracy that is often described as "managed," and officially encouraged attempts to create a new and profoundly illiberal ideology with mass appeal. This system began to take shape under Boris Yeltsin in the 1990s,

matured under Vladimir Putin in the 2000s, and received a tremendous shot in the arm as oil prices rose and the Kremlin's coffers swelled. The regime has developed an elaborate and mostly effective toolbox of repressive and manipulative measures for maintaining domestic control, a conceptual vocabulary for faking democracy, and a series of strategies for wielding international influence.

The world's democracies must navigate the shoals of this system's contradictions as they fashion policies toward Russia along three major axes. The first is the advancement of common interests. These are few, as Russia's ruling elite, whatever rhetorical flourishes it may occasionally adopt for foreign ears, views the world in terms of 19th-century territorial spheres of influence, approaches international relations as a zero-sum game, and has staked much of its legitimacy—more than most outside observers seem to realize—on opposition to an American bogeyman, a "West" that is allegedly bent on Russia's destruction. The second axis is a response to the threats Russia poses to its neighbors. These are numerous, ranging from the encouragement of dictatorial regimes and the export of high-level corruption, to political meddling and even military intervention in countries deemed by the Kremlin to have misbehaved. Finally, the third axis is an attempt to mitigate the danger of systemic failure in Russia itself. This possibility is quite real, and its occurrence will be difficult to predict or prevent.

DOMESTIC METHODS OF CONTROL

Russia today presents a very particular form of authoritarianism. The executive arm of the state is the dominant force in society, allowing no challenges from an independent business community, the judiciary, an empowered electorate, or free media. Yet the state itself is dominated by a variety of informal influence groups that vie for control of key assets. Atop this complex construction stands Vladimir Putin, the de facto "national leader" and de jure prime minister, who is formally subordinate to President Dmitry Medvedev and informally powerful, but far from all-powerful. The state holds elections and boasts representative institutions, but they mean little. The ruling elite has successfully deployed a deeply illiberal conceptual vocabulary to vaunt state power and denigrate the content, if not the appearance, of democracy. This resurgent Russian authoritarianism garnered significant popular support during the recent period of relative prosperity, but the global economic crisis brought that period to an end in 2008, and the system's fate is now uncertain.

The core characteristics of Russian authoritarianism in its post-Soviet maturity are selectively capitalist kleptocracy, the dominance of informal influence groups, decorative democracy, and illiberal ideology. Together, these elements form an effective mechanism for maintaining elite control over a disempowered populace.

Selectively Capitalist Kleptocracy

Russia under the current regime can be described as a selectively capitalist kleptocracy because it employs certain genuine components of a market economy, but only to the extent that they benefit, or at the very least do not hinder, a ruling elite engaged in practices that would entail criminal prosecution in any free-market society with a functioning legal system and an independent judiciary. These practices include outright theft of budgetary funds, pervasive graft and kickbacks on all major contracts, myriad tax-evasion schemes, and a welter of unfair business tactics based on influence-peddling, access to insider information, and the manipulation of ambiguous laws and pliant courts.

The term kleptocracy, which arose to describe overtly larcenous states in conditions of scarcity like Zaire under Mobutu Sese Seko, is an imperfect one in the Russian context. Outright theft played a prominent role in the emergence of the post-Soviet system, most grotesquely during the early rounds of privatization, but it is no longer a systemic hallmark. In its latest incarnation as a petrostate, Russia even managed to parlay high oil prices into a swelling stabilization fund and substantial hard-currency and gold reserves. Yet the spirit of kleptocracy, in which the machinery of the state serves private gain before public good, is a constant. A new term might be more accurate—perhaps "kerdocracy" (rule based on the desire for material gain) or "khrematisamenocracy" (rule by those who transact business for their own profit)—but for practical descriptive purposes, kleptocracy conveys the essence.[1]

The degree of selectivity in Russia's adoption of capitalism varies from sector to sector, but throughout the system there are elements of the free market mixed with non-market-driven mechanisms and pervasive government corruption,[2] particularly where state-controlled companies intersect with the global economy, or where privately owned domestic corporations must bribe high-level officials. State-run energy companies like Gazprom bring in hard currency through their interactions with foreign markets, use their profits to provide domestic consumers with energy at below-market rates, and generally redistribute revenues in ways that are utterly devoid of transparency and almost certainly dismissive of market concerns. Not surprisingly, the state-controlled energy sector has displayed a marked lack of innovation and an unwillingness—or inability—to pursue effective long-term development. Gazprom's decision to maintain domestic supplies and export volumes by purchasing Central Asian gas instead of developing new fields in Russia is but one example of this problem.

In a selectively capitalist kleptocracy, heavy state involvement in the economy and a plethora of informal relations blur the distinction between high-level "businessmen" and senior "officials." The distinction evaporates completely when, as in Russia, government officials sit on the boards of large state-run companies. Even where a formal division exists,

businessmen must bribe officials in order to do business,[3] making officials de facto participants in the management process, almost always to the detriment of corporate governance. High-ranking officials run sizable state-owned companies for private gain, amassing enormous wealth, although they must make efforts to conceal their riches from the public in order to maintain the illusion that they are, on some level, public servants.[4]

The result of this arrangement is the opposite of the level playing field that forms the foundation of a true market economy. One Russian wit summed up selectively capitalist kleptocracy with the phrase, "The elites want socialism for themselves, and capitalism for the people." Andrei Illarionov, a former adviser to Putin, has quipped that the system involves the "privatization of profits and the nationalization of costs."

Selectively capitalist kleptocracy is an effective mechanism for the maintenance of domestic control because it makes property rights contingent on the whim of those who can move the levers of state power. This serves a dual purpose, enriching the money-power nexus of politically connected insiders while forestalling the emergence of an independent and legally empowered business community. After the might of the state came down on Mikhail Khodorkovsky in 2003, Russia's most powerful oil magnate soon found himself in a Siberian prison camp, and Yukos, his oil company, tumbled down the waiting maw of Rosneft, a state-owned oil company chaired by Igor Sechin, then deputy head of the presidential administration (and now first deputy prime minister, though he remains chairman of Rosneft's board of directors).

A fine example of the subordination of business to the interests of the political elite came in July 2008, when shares in Mechel, one of Russia's largest mining and metals companies, took a nearly $5 billion nosedive in a single day after Putin made an off-the-cuff remark accusing the company's chief executive of shady dealings. Mechel escaped Yukos's fate, but the market's reaction showed that investors, weighing a few words from the prime minister against Russian legal protections for property rights and due process, knew exactly which side represented the safer bet.

Informal Influence Groups

The Soviet system, like the tsarist system it replaced, always retained a strong informal component. The actual influence of formal Soviet institutions often did not correspond to their nominal functions. When the Soviet Union broke apart, the collapse was uneven, with formal institutions imploding while the informal component managed to survive, mutate, and thrive. This lopsided breakdown was a fixation among political and economic theorists, who correctly insisted that a successful transition depended on the emergence of strong institutions. What emerged instead were strong informal influence groups, sometimes called clans. These formations, not institutions, are the real vehicles of power in Russia.

Influence groups act as a shadow power structure that intersects both horizontally and vertically with formal institutions. While managing their assets and vying with rival groups to acquire more, they use their influence over the machinery of the state to secure their wealth in the absence of sound legal guarantees for private property. The paramount leader, whether he occupies the position of president or prime minister, is to some extent "above the system," but he can never disregard influence groups entirely and must take care to maintain a balance of power, preventing any single group from dominating.

In a fine example of the contrast between informal power and official titles, Russia's current paramount leader is Prime Minister Putin, who technically serves at the pleasure of President Medvedev, his de facto subordinate. Putin moved from the presidency to the premiership in 2008, but retained his leadership role in practice. He acts as both arbiter and conspirator, resolving disputes and playing interests groups against one another to ensure that they do not threaten his power or the overarching enterprise. When he performs this task successfully, he keeps conflict beneath the carpet and enhances his formal powers with informal influence. When he stumbles, the spats come out into the light and mar the facade of order and stability.[5]

Russia's clans are complex. Some are based on corporate solidarity, like that among KGB veterans. Others form around mutual business interests, as with Oleg Deripaska's now ailing financial empire. Still others draw on experiential bonds, like the group of friends in St. Petersburg who summered together in the 1990s, formed the Ozero cooperative to unite their out-of-town residences, and went on to obtain immense wealth and power when one of their number, Putin, became president in 2000. Most groups are held together by more than one type of glue. Yet all have a vested interest in preventing any movement toward a more transparent, genuinely democratic, and law-based system, as such a transition would undercut their informal power, threaten their stranglehold on the economy, and perhaps even expose them to prosecution.

Decorative Democracy

Decorative democracy, sometimes called managed democracy,[6] is the political system of choice for ruling elites who grudgingly accept elections as a precondition for legitimacy but do everything in their power to control the outcome.[7] The practice of decorative democracy amounts to a grab-bag of dirty tricks—legal devices prevent the formation of new political parties, state-controlled media relentlessly promote favored candidates and denigrate their opponents, election commissions ignore gross violations and punish minor ones, and duplicate candidates confuse voters. Recent Russian election cycles have augmented this already skewed system with additional formal hurdles: single-mandate districts have been eliminated, the threshold for party representation in parliament has been raised from 5 percent to

7 percent, and credible international observers have been excluded. Gubernatorial elections have been eliminated entirely. The goal of these measures is to reduce the necessary evil of elections to a predictable exercise that allows the ruling elite to devote the bulk of their time not to the good governance that would otherwise be the key to holding power, but rather to the more pressing pursuit of extracting the maximum material gain from selectively capitalist kleptocracy.[8]

Conceptual Vocabulary

Critics within established democracies charge that image has overpowered ideas in their practice of politics, but in Russia's decorative democracy this phenomenon has reached an extreme. Ruling elites engaged primarily in thievery and battles over assets have little time or use for a meaningful exchange of ideas. Still, they suspect that ideas are necessary, particularly in a political system that provides for little real communication between rulers and ruled, and they retain a Soviet fondness for a unifying ideology. Officially encouraged attempts to create such an ideology abound in Russia, and their products are usually cobbled together from Soviet statism, ethnic Russian chauvinism, a discourse of national renewal, indiscriminate nostalgia, and anti-Western xenophobia that is generally packaged as anti-Americanism.

What distinguishes these efforts are their illiberal essence and basic artificiality. They are illiberal in that their conception of "national greatness" is not an aggregate expression of citizens' social and economic well-being, but rather a metaphysical abstraction in which individual citizens dissolve into the faceless entity of "the people," harnessed to a vast and ill-defined project of which the state is both the primary driver and the main beneficiary. The ideologies are artificial for the same reason that communist ideology had become moribund by the Brezhnev era—they do not bear any recognizable relation to the reality they purport to describe.

Efforts to fashion a "national idea" from the country's imperial legacy tend to founder on the ineluctable fact that the empire is no more. Russian chauvinism meshes poorly with the multiethnic composition of a country that is home to millions of Muslims. Reverence for the accomplishments of both tsarism and Stalinism, coupled with a refusal to grapple with the failings of either, explains nothing about Russia's historical trajectory over the past century. National renewal becomes indistinguishable from oil wealth. Taken together, these exertions hardly betoken the birth of a viable new ideology, let alone one with appeal beyond Russia's borders, although the core concepts have been well received by a population that is understandably resentful over the depredations that followed the dissolution of the empire.[9]

Democracy is a small but important part of this conceptual concatenation. Vladislav Surkov, a top aide to Putin, famously appended the adjective "sovereign" to democracy in

2006, implying that while Russia is a democracy like other leading nations, it has the right to define the term as it pleases and deviate—by virtue of national sovereignty and tradition—from basic democratic standards and practices. The appendage proved an unhappy one, drawing ridicule from critics and even a barb from then first deputy premier Dmitry Medvedev shortly after its debut. Nevertheless, United Russia, the ruling party, foregrounds the term on its website, stating that "the renewal of the country on principles of sovereign democracy [means that] we are building a country with its own successful historical perspective." In line with an increasingly bellicose attitude toward "Western" democracy, the party goes on to present a definition that stresses sovereignty over democracy: "For us, sovereign democracy is the right of the people to make its own choice relying on its own traditions and the law."[10]

Delivering the Message

The Kremlin deploys the conceptual vocabulary of the new Russia—national renewal, nostalgia, anti-Western xenophobia, sovereign democracy—through a sophisticated domestic communications strategy that marshals both the traditional resources of the state and much-expanded control over virtually all mainstream mass media.[11] This one-two punch, coming amid a period of rising prosperity after a disastrous decade, has had a significant impact on popular opinion, and the Kremlin's message has resonated with its intended recipients.

The traditional resources of the state include official pronouncements, the restoration of Soviet symbols, adjustments to school curriculums, the establishment of a ruling party, and the creation of youth movements. In 2005, Putin stressed in his "state of the nation" address to parliament that Russia "will decide for itself the pace, terms, and conditions of moving towards democracy"; he used the same speech to describe the collapse of the Soviet Union as the "greatest geopolitical catastrophe" of the 20th century. By that time, the familiar strains of the Soviet national anthem were sounding once again at official gatherings (with updated words penned by the author of the 1943 and 1977 versions). New history textbooks and manuals for teachers laud Joseph Stalin, gloss over the murderous legacy of Soviet communism, and represent the Putin era as a restoration of greatness that is imperiled by the evil designs of Russia's enemies. United Russia has a lock on the rubber-stamp parliament and tentacles throughout the power structure. And a number of youth movements, funded directly or indirectly by the Kremlin, act as capillaries to bring new blood into the elite, cudgels to cow opponents, and bullhorns to blare approved messages. While the fate of this enterprise is now unclear in light of reduced oil prices and a global economic crisis to which Russia seems particularly vulnerable, it remains a signal accomplishment of the regime.

Mainstream mass media, from nationwide television stations to major newspapers, are now either under direct state control or owned by Kremlin-friendly business magnates.

Violence against irksome reporters is routine, and a number of critical journalists, of whom Anna Politkovskaya is the best known abroad, have been murdered with seeming impunity in recent years. The official message resounds most clearly on television, where dissenting voices are blacklisted; newspapers enjoy somewhat more freedom, but with the balance clearly in favor of the Kremlin. Where the state does not have direct control, proxies like Gazprom-Media, which owns television networks, radio stations, and newspapers, perform a similar function, although they sometimes allow their holdings a longer leash, as Gazprom-Media does with radio station Ekho Moskvy.

The internet at first glance appears to contradict the rule, with independent voices readily available in some outlets, and even flourishing on blogs. Yet cyberspace is also the focus of increasing manipulation, with a vast array of Kremlin-funded websites promoting illiberal ideologies and regime-friendly forces stepping up their ownership of key infrastructure, like hosting sites for bloggers. And if web-based new media in functioning democracies have improved access to information and forced mainstream media to become more competitive, docile mainstream media in Russia simply ignore inconvenient online revelations and discussions, cutting off the cycle of feedback and response that has enlivened the press and enhanced accountability elsewhere.

The sophistication of the Kremlin's domestic communications strategy derives from its recognition that total control is no longer possible, or even desirable, in a 21st-century media environment. The Soviet Union devoted immense energy and effort to cutting off alternative sources of information and spoon-feeding the population its carefully crafted, ideologically uniform propaganda. The Kremlin today focuses on the media that reach a majority of the public—not coincidentally, the same majority expected to vote as needed in the rote plebiscites that pass for elections. Message control, a "party line," is considerably less important than reach and impact, with lively debates sometimes unfolding within the approved context of authoritarian restoration. Freedom flickers at the margins, with voices allowed to cry out as long as they do so in a wilderness bounded and policed by the powers that be.

INTERNATIONAL INFLUENCE

Russia has shown an increasing willingness in recent years to exert influence beyond its borders through a combination of hard and soft power. These efforts have had the greatest impact in neighboring countries, where their effect on democratic development can be charitably described as ranging from neutral to negative.

The five-day war between Russia and Georgia in August 2008, which saw Russian forces come within easy striking distance of Georgia's capital before withdrawing to buffer zones around the Russian-backed separatist enclaves of South Ossetia and Abkhazia, was

Moscow's first major military incursion into a foreign country since the Soviet invasion of Afghanistan in 1979. Understandably, it gave rise to much talk of a "resurgent Russia" eager to reassert direct influence over the more ornery corners of the former Soviet Union, of which Georgia was the shining example. But the invasion was atypical. And while it came as a potent signal that Russia is willing to use military force abroad when it sees a domestically justifiable pretext and suitable international conditions, and that it is capable of dealing effectively with a small opponent, the spectacle of Russian tanks on the outskirts of Tbilisi should not detract attention from the wide-ranging if less spectacular efforts Moscow has made in recent years to exert international influence through nonmilitary means.

Those efforts have taken the forms of multivector diplomacy, political interference, financial leverage, energy blackmail, and strategic communications. And they have unfolded, with considerable interplay and significant variation, in four main arenas: the former Soviet Union, the community of developed democracies, what was once called the Third World, and various international organizations.

The mechanisms of Russian influence in the former Soviet Union are interference in domestic politics, financial leverage, energy blackmail, and strategic communications, all aided by the strong shared legacy of the Soviet experience. Most members of the post-Soviet elite in Central Asia and the Caucasus were educated in the Soviet Union, speak fluent or near-fluent Russian, and feel far more comfortable in a Russian cultural environment than in any other foreign setting. Millions of ordinary citizens share similar feelings. This common legacy gives rise to myriad formal and informal ties between Russian and post-Soviet elites, and it underlies receptivity to Russian messaging. Independence has also been bittersweet for many, often serving as the perceived handmaiden of greater oppression and impoverishment; nostalgia for the Soviet period is therefore not uncommon. Finally, Russia's recent economic growth has fueled impressions that Moscow might represent a viable model for emulation.

The most striking example of Russian interference in a domestic political contest in the "near abroad" took place in Ukraine, where the Kremlin provided direct rhetorical and financial support to Viktor Yanukovich in 2004 and sent an army of political consultants to aid his presidential campaign.[12] The effort was, in sum, a failure, and it has not been repeated. Subsequent support for pro-Kremlin political forces in the former Soviet Union has been less blatant, in part because political competition is rare in the almost uniformly undemocratic nations of Central Asia and the Caucasus. Nevertheless, Russia has bankrolled political movements for Russian speakers in the Baltic states and provided subtle backing for suitable candidates in Kyrgyzstan's power struggles since the 2005 ouster of President Askar Akayev.

Moscow is able to bring financial leverage to bear through direct investment, debt adjustments, and control over the flow of migrant labor. Russian direct investment plays a

Melding Power and Money in Russia

	Official Position	*Strategic Industry Link*
Sergei Ivanov	First Deputy Prime Minister	United Aircraft Corporation (UAC) Board Chairman
Viktor Ivanov	Aide to the President; Deputy Head of the Presidential Administration; Former Deputy Director of the Federal Security Service (FSB)	Chairman of Aeroflot and Almaz-Antei
Viktor Khristenko	Minister for Industry and Trade	Transneft Board Chairman; Gazprom Board Member; Former Director at Unified Energy System of Russia; Former Director of Jsc Russian Railway
Alexander Kozlov	Former Deputy Chief of Administrative Board of the President	Deputy Chairman of Gazprom's Management Committee
Dmitry Medvedev*	President of the Russian Federation	Former Gazprom Board Chairman
Alexei Miller	Former Deputy Minister of Energy	Gazprom's Chief Executive
Elvira Nabiullina	Minister for Economic Development	Gazprom Board Member
Sergei Naryshkin	Chief of Staff of the Presidential Executive Office	Sovkomflot Board Chairman; Rosneft Deputy Board Chairman; Former Board Chairman Channel One Television
Igor Sechin	Deputy Prime Minister	Rosneft Board Chairman
Sergei Sobyanin	Deputy Prime Minister and Government Chief of Staff	Former TVEL Board Chairman; Channel One Television Board Chairman
Igor Yusufov	Special Envoy of the Russian Federation President for International Energy Cooperation; Ambassador at Large of the Russian Federation Ministry of Foreign Affairs; Former Minister of Energy	Gazprom Board Member
Viktor Zubkov	First Deputy Prime Minister	Gazprom Board Chairman

* Dmitry Medvedev served as chairman or deputy chairman of Gazprom from 2000 to 2007, during which time he also held the positions of first deputy chief of staff of the Presidential Executive Office, chief of staff of the Presidential Executive Office, and first deputy prime minister. As president of the Russian Federation since 2008, Medvedev no longer serves as Gazprom chairman.

significant role in the economies of Armenia, Kyrgyzstan, Tajikistan, and Uzbekistan. An adjustment of Tajikistan's sovereign debt to Moscow was instrumental to the conclusion of a 2004 agreement that gave Russia control over the Nurek space-surveillance station and a stake in the Sangtuda hydroelectric plant.[13] More recently, a package of financial incentives to Kyrgyzstan totaling more than $2 billion coincided with that country's February 2009 decision to expel U.S. forces from their air base at Manas. And at moments of conflict with Georgia and Moldova, Russia has sent home large numbers of migrant workers from those countries, squeezing economies that are dependent on remittances.

Russia remains a hub for gas exports from Central Asia and the main supplier of natural gas to Ukraine and Belarus, giving it substantial leverage over those countries. The flow of gas to Ukraine was cut in 2005, ostensibly due to a pricing dispute; however, it occurred after the ascent of Yanukovich's rival, Viktor Yushchenko, to the presidency, and the move was widely perceived as punishment for Ukraine's political choice. Moscow turned off the tap to Belarus in 2007 in the course of another pricing dispute, and cut off oil shipments to Lithuania on several occasions in attempts to acquire assets there.[14]

Finally, Russian-language media remain influential in the former Soviet Union, most notably in Central Asia. Russian state television is available in most of these countries, and Russian-language websites are for many residents a broader and more accessible source of information than those in the vernacular. Interestingly, the fact that viewers and readers are able to consume Russian media directly means that there are fewer opportunities for the Kremlin to design messages specifically for Russian-speaking audiences outside Russia. Nevertheless, those audiences live in media environments where Kremlin spin often drowns out other foreign, and even domestic, voices.

The main mechanisms of Russian influence among the leading developed democracies are multivector diplomacy and strategic communications. Multivector diplomacy is most closely associated with Kazakh president Nursultan Nazarbayev, who has encouraged the competitive courtship of different world powers to maximize his country's influence and standing. The Russian variant entails maneuvers along both sides of a given international fault line in an approach one might term "being part of the problem in order to be part of the solution." In Iran, for example, Russia is building the Bushehr nuclear power plant and maintains close ties with the regime while providing on-again-off-again support for international efforts to end Iran's bid to develop a nuclear weapon. In the Middle East, Russia has ambitious plans to sell arms to Syria (along with Iran) while at the same time taking part in regional peace initiatives.

Russian strategic communications in the developed democracies take the shape of international broadcasting and public relations. Russia Today, a satellite television station with a $30 million annual budget,[15] offers programming in English (and Arabic). The channel mixes

sophisticated production with a resolutely upbeat tone on Russia's image and an invariably pro-Kremlin take on political events. The Kremlin has also retained high-profile public relations firms based among its target audiences, most notably during the Group of Eight summit in St. Petersburg in 2006. Finally, the Institute for Democracy and Cooperation, a Russian organization that opened an office in New York in 2008, bills itself as an independent think tank funded by corporate donations. It positions itself as a critic of U.S. democracy and seems designed to advance a pro-Kremlin agenda, although it has maintained a low profile in its first year of operation.

In the developing world beyond the former Soviet bloc, Russia relies on multivector diplomacy, financial leverage, and strategic communications. The first two elements usually go hand in hand, with financial leverage frequently taking the form of weapons sales to countries seen as hostile to the United States and its allies, as in the above-noted cases of Syria and Iran. Venezuela, another country that has strained relations with Washington, signed weapons contracts worth more than $4 billion with Russia in 2005–07.[16] Russia has also shown a willingness to engage nonstate partners that are shunned by many other governments, such as Hamas.[17] Furthermore, Russia Today broadcasts in Arabic throughout the Arab world, as well as on the internet, and the radio station Voice of Russia is, according to its website, available in 32 languages in 160 countries.

Moscow's strategy in international institutions is twofold: in institutions where Russia must work with the developed democracies, it has pursued a policy of multivector diplomacy and attempted to frustrate democracy promotion; in regional institutions, it has promoted an alternative framework for cooperation based primarily on national sovereignty and the shared interests of undemocratic ruling elites. In the United Nations, Russia has made its support for sanctions against Iran contingent on the overall state of its relations with the United States and the European Union. In the Organization for Security and Cooperation in Europe (OSCE), which has long vexed Russian and other post-Soviet rulers with observation missions that train an unsparing gaze on flawed elections, Moscow has pushed hard for "reforms" that would shift the OSCE's focus from democracy to security cooperation, and moved to curtail outside observation of Russian elections.[18] In the Shanghai Cooperation Organization (SCO)—which brings together China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan—Russia has worked successfully with China to internationalize the theory behind "sovereign democracy," promoting absolute sovereignty as a guiding principle in world affairs.[19] The practical result tends toward security cooperation between authoritarian states and punitive legislation codifying the sweeping, illiberal interpretation of "extremism" that underpins the SCO's guiding philosophy.

Three aspects of this broad effort to exert international influence are particularly noteworthy. First, its success has been spotty. Russia has succeeded in establishing mutually

convenient arrangements with a number of undemocratic regimes, stoked low-level rhetorical confrontation with the United States and its allies, embroiled itself in a hot conflict with Georgia, and embarked on a public-relations offensive, but it is hard to see how this adds up to vastly expanded influence, or even a coherent foreign policy. Second, Russian efforts have come amid an ascendant antidemocratic zeitgeist in much of the developing world; Russia's role in this trend is as much follower as leader. And third, the Russian push for influence relies greatly on financial muscle derived from high oil and gas prices. Prices have fallen sharply in recent months as part of the global economic crisis, which has caused Russian stock exchanges to plunge and Russian companies to seek help from the government. How this will affect the Kremlin's international maneuvers remains to be seen.

FINDINGS

- Today's Russia is an authoritarian state where a corrupt and illiberal ruling elite maintains its power through media manipulation and the subversion of the democratic process. The leadership has no discernable desire or incentive to alter its policies, and no other force in society is currently capable of fomenting change. The initial results of the global economic crisis, which has dealt a particularly severe blow to Russia's unbalanced and mismanaged economy, do not presage any positive shift in the fortunes of the country's beleaguered liberal opposition.

- An appeal to common interests is unlikely to prove a solid basis for improved relations between Russia and the world's established democracies. The Kremlin's actions over the last eight years strongly suggest that it will seek to exploit U.S. and European overtures for rhetorical purposes, even as it spreads domestic propaganda aimed at stoking xenophobic sentiment and pursues a zero-sum foreign policy agenda intended to reduce U.S. and European influence worldwide and carve out a privileged zone of Russian interest in neighboring countries. For U.S. policymakers, the implications are gravest in Iran, where Moscow's real aim is the maintenance of an uneasy status quo, and Afghanistan, where the Kremlin hopes to make U.S. and NATO supply routes contingent on Russian beneficence.

- The Russian authorities have embarked on a campaign to undercut the integrity of standards-based institutions that focus on democracy and human rights while building up regional institutions that unite authoritarian states around military and security cooperation. Targets for obstruction include the Office for Democratic Institutions and Human Rights with the OSCE, whose election monitoring has exposed the workings of decorative

democracy, and the Strasbourg-based European Court of Human Rights, whose rulings have highlighted corruption and other official misconduct in Russia. Meanwhile, Russia has favored institutions like the Shanghai Cooperation Organization, which brings together China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan, and pointedly relegates all rights concerns to the sovereign realm of individual regimes.

- Expect things to get worse before they get better. The primary goal of the Russian elite is not to advance an abstract ideal of the national interest or restore some imagined Soviet idyll, but to retain its hold on money and power. Current economic conditions threaten this goal, and the ruling cliques, to the extent that they are capable of concerted action in a crisis situation, will likely respond by tightening the screws at home, stoking anti-Western sentiment, and provoking conflicts they feel they can exploit. But the cornerstone of Russia's putative restoration under Putin is the improved material well-being of the populace. If this crumbles, popular support may crumble with it, opening the door to change but also to considerable danger.

NOTES

1 The author first used these terms in "Russian 'Hard Power' Changes the Balance in the Caucasus," Radio Free Europe/Radio Liberty (RFE/RL), August 12, 2008, http://www.rferl.org/content/Russia_Changes_Balance_In_Caucasus/1190395.html.

2 Corruption is to be understood here not in the sense of a deviation from well-established formal rules, but rather as the informal rule to which observance of formal rules is, in fact, the exception.

3 Transparency International's 2008 Corruption Perceptions Index ranked Russia 147 out of 180 countries, capping an eight-year downward trend. The organization noted that the "phenomenon of corruption . . . seriously undermines the very statehood of Russia." Also in 2008, Russian prosecutor Aleksandr Bastrykin estimated that corrupt officials extract some $120 billion a year from the national budget, a figure that comes to nearly a third of the country's 2008 budget of $376 billion.

4 Stanislav Belkovsky, a Russian political analyst with wide-ranging ties and opaque loyalties, told *Die Welt* in 2007 that Vladimir Putin amassed a fortune of more than $40 billion during his tenure as president. Putin publicly shrugged off the allegations, but the Kremlin never took any action against Belkovsky.

5 One example of a public spat is the imprisonment of Mikhail Khodorkovsky and the expropriation of Yukos in 2003–05. Another is the open letter Viktor Cherkesov published in *Kommersant* in October 2007, criticizing the business activities of former KGB officers.

The letter was widely viewed as the public manifestation of a long-running private feud between various Kremlin clans.

6 Managed democracy is an unfortunate term, as it fails to convey the fundamentally undemocratic nature of the system that results from the "management" of the electoral process.

7 This paragraph is adapted from the author's testimony before a hearing of the Commission on Security and Cooperation in Europe (Kyrgyzstan's Revolution: Causes and Consequences) on April 7, 2005. See http://csce.gov/index.cfm?FuseAction=ContentRecords.ViewDetail&ContentRecord_id=341&Region_id=0&Issue_id=0&ContentType=H,B&ContentRecordType=H&CFID=18849146&CFTOKEN=53.

8 For a useful study of decorative democracy in the post-Soviet world, see Andrew Wilson's *Virtual Politics* (Yale University Press, 2005), which provides an overview of how elites "fake democracy."

9 The author noted the emergence of this paradoxical paradigm in an October 3, 2002, article for RFE/RL: "Is there a touch of the postmodern in all this free play of decontextualized symbols? Or is it just conceptual chaos? Vladimir Nabokov's description of an emigre couple in his novel *Pnin* hints at one possible answer: 'Only another Russian could understand the reactionary and Sovietophile blend presented by the pseudo-colorful Komarovs, for whom an ideal Russia consisted of the Red Army, an anointed monarch, collective farms, anthroposophy, the Russian Church and the Hydro-Electric Dam. . . .' Although some of Nabokov's terms have not stood the test of time (anthroposophy is not much in evidence these days), the peculiar cocktail he mixes for the Komarovs seems increasingly popular in Moscow. The intriguing question is why so many find it not merely palatable, but potent." (http://archive.rferl.org/newsline/2002/10/031002.asp#5-not)

10 United Russia, program adopted by the party's 7th Congress (December 17, 22008), http://edinros.er.ru/er/rubr.shtml?110100, accessed April 26, 2009.

11 "The Kremlin" here is shorthand for the primary stakeholders in the existing system, from the presidential administration to the various influence groups that control key assets.

12 Estimates of the amount of support Yanukovich received vary. Anders Aslund, speaking at the Carnegie Endowment in October 2004, put Yanukovich's election war chest at a whopping $600 million, with a significant portion coming from the Kremlin and affiliated donors. See http://www.carnegieendowment.org/events/?fa=eventDetail&id=727&prog=zgp. The Heritage Foundation's Ariel Cohen stated in November 2004 that "the Kremlin has poured unprecedented resources into the election campaign—at least $200 million from sympathetic Russian and Ukrainian businessmen." See http://www.heritage.org/research/russiaandeurasia/em949.cfm.

13 See RFE/RL Newsline, October 18, 2004, http://archive.rferl.org/newsline/2004/10/2-TCA/tca-181004.asp.

14 Vladimir Socor, "Russian Oil Supplies to Lithuania Cut Off," *Eurasia Daily Monitor* 3, no. 150 (August 3, 2006), http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=31939.

15 See "When Success and Image Don't Mesh," *Moscow Times*, June 27, 2008.

16 See "Venezuela Reaffirms Future Arms Purchases from Russia," RIA Novosti, November 7, 2008, http://en.rian.ru/world/20081107/118181084.html.

17 The bizarre fruits of this particular diplomatic initiative ripened after the Russian-Georgian war in August 2008 and the subsequent South Ossetian declaration of independence, which was recognized by Russia, Nicaragua, Hamas, and Hezbollah.

18 The OSCE's Office for Democratic Institutions and Human Rights (ODHIR) canceled planned missions to monitor Russia's December 2007 parliamentary election and March 2008 presidential election, citing excessive restrictions.

19 See Daniel Kimmage, "SCO—Shoring Up the Post-Soviet Status Quo," RFE/RL, July 8, 2005, http://www.rferl.org/Content/Article/1059771.html, and "Does the Road to Shanghai Go Through Tehran?" RFE/RL, June 12, 2006, http://www.rferl.org/content/article/1069086.html.

VENEZUELA

PETRO-POLITICS AND THE PROMOTION OF DISORDER

Javier Corrales

President Hugo Chávez has launched a massive "foreign aid" program, which encompasses a diverse portfolio of projects . . . However, much of this aid from Caracas consists of blank checks for the recipient governments to spend at will. In effect, Chávez has been exporting corruption, and the product is attractive to leaders who would rather avoid the constraints imposed by international institutions, democratic donors, and private investors.

INTRODUCTION

Since taking power in 1999, Venezuelan president Hugo Chávez Frías has managed to convert a frail but nonetheless pluralistic democracy into a semi-authoritarian regime. Certain freedoms continue to exist, and elections are still held, but the system of checks and balances has become inoperative. The government rarely negotiates with opposition forces, the state insists on undermining the autonomy of civil society, the law is invoked mostly to penalize opponents and never to curtail the government, and the electoral field is uneven, with the ruling party making use of state resources that are systematically denied to the opposition.

These conditions are all typical of electoral autocracies. However, the Venezuelan regime also seems to rely on a practice that is more peculiar to *Chavismo,* as the Chávez phenomenon is commonly known, or at least to a small subset of semi-authoritarian states: the promotion of disorder. Whereas many nondemocratic governments—such as those in Russia, China, and Saudi Arabia—seek political legitimacy by attempting to deliver order, the rulers of Venezuela and their ilk do nothing to stop lawlessness. Consequently, ordinary citizens live in fear of random crime, oppositionists face targeted attacks by thugs, and businesses are subject to violence by government-sponsored labor groups. This intimidation through third parties, rather than through direct state pressure alone, helps to discourage collective action by regime opponents. It also produces discontent, but not among the protected class of Chavistas.

Chávez's strategies for restricting the domestic political system have varied over time depending on the nature of the challenges he has faced. During the first phase of his

presidency, which lasted through 2004, Chávez's principal aim was to survive mobilized opposition. Once this challenge was overcome, the priority was to maintain high approval ratings despite decaying public services.

The Chávez administration has sought to bolster the domestic political transformation with a foreign policy that portrays Venezuela as the champion of a broader movement in the Americas and the world to balance the United States. This anti-U.S. foreign policy stand is the best known but perhaps the least important aspect of Chávez's foreign policy. By overstating his commitment to development and his anti-imperialist, anti-capitalist credentials, Chávez seeks primarily to forestall criticism from socially progressive actors abroad, many of whom would generally disapprove of the erosion of institutional checks and balances. Another goal is to help radical leftist forces to win power in other Latin American countries. While producing occasional victories for Chávez's clients, these interventions have contributed to the political polarization of the region. However, he has been able to mute the criticism of sitting governments, regardless of their ideological bent, by spending heavily on foreign aid and oil subsidies. The opacity of the transfers enables what is, in effect, the exportation of corruption. Recipients can spend the aid in an unaccountable manner, avoiding the safeguards and conditions attached to traditional forms of international aid or private investment.

The term Chavismo suggests a consistent ideological system, and the regime's self-identification as a "Bolivarian Revolution"—a reference to the Venezuelan-born independence hero of the early 19th century, Simón Bolívar—similarly implies that it is an example or prototype of a larger political species. While this is to some extent belied by Chávez's hollow rhetoric and opportunistic adaptations, his strategies for consolidating and retaining power could be replicated by the leaders of other semi-authoritarian states, and that alone is reason enough to study them in detail.

DOMESTIC METHODS OF CONTROL

First Challenge: Surviving the Backlash

The honeymoon period of Chávez's presidency ended in late 2001 with the sudden resurgence of street protests. Between the end of 2001 and the middle of 2004, Chávez not only faced poor popularity ratings in opinion polls (see chart on page 68), but also endured the most active mobilization of opposition forces in Venezuela since the 1950s. Between 2002 and early 2003, there were at least 22 massive marches in Venezuela's largest cities. Given Chávez's radical assertion of presidential power—quite evident since the approval of the 1999 constitution—and the economic troubles that lasted until 2003, this backlash was perhaps inevitable. However, it was more difficult to predict whether Chávez would

survive it. He came close to losing power on three occasions: the massive street protests that touched off a short-lived coup in 2002, the 2002–03 general strike led by the oil sector, and the 2004 recall referendum. The policies described below allowed him to fend off these threats and remain in office.

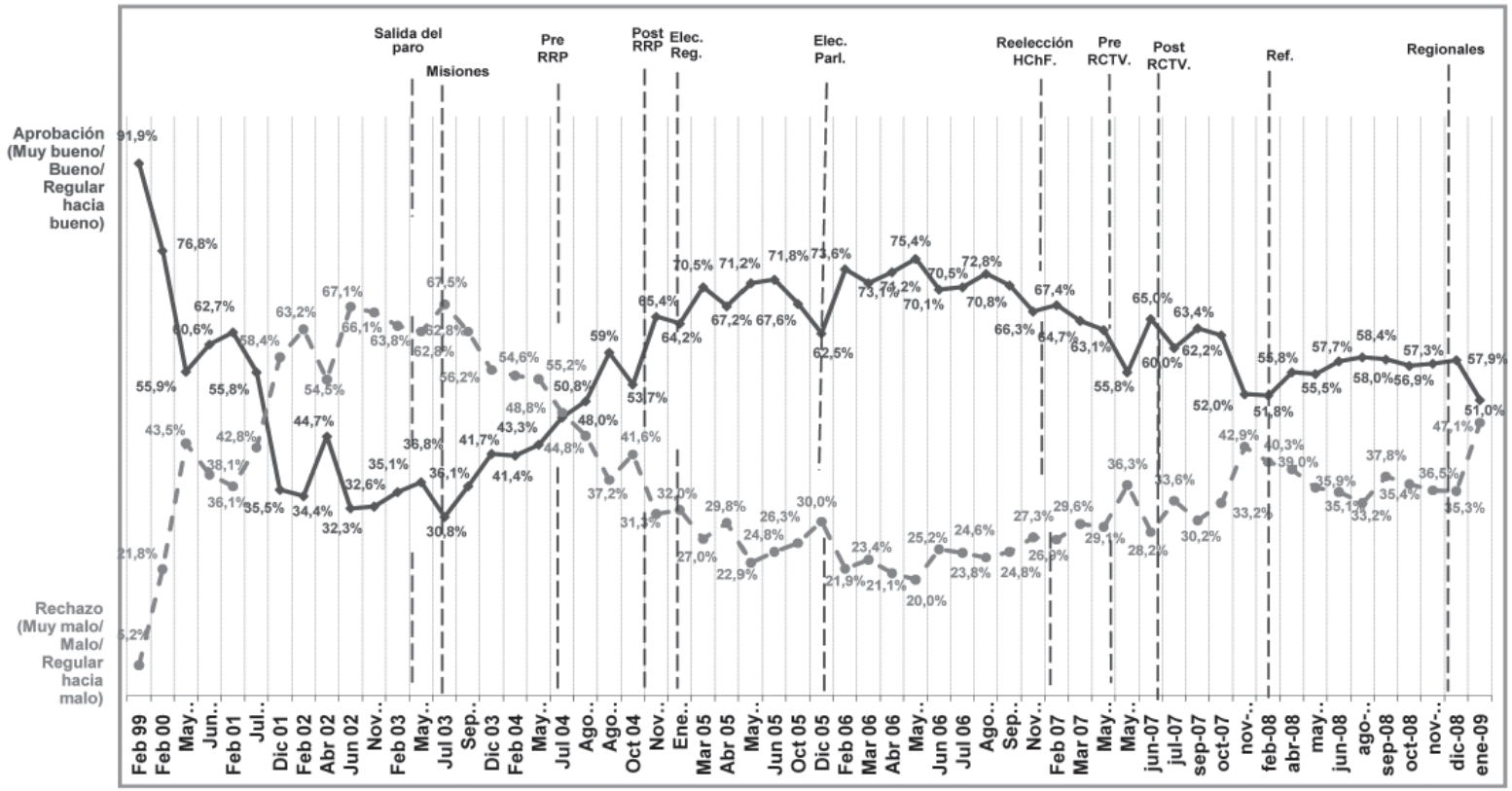
Smash the middle. Rather than seeking reconciliation and compromise with the rising tide of protesters in 2002, Chávez responded to political conflict by growing even more antagonistic toward the opposition. The idea was to push his adversaries into increasingly extreme actions, and thus compel the general public to take sides with one of the two poles. Similarly, rather than negotiate with the oil strikers, he fired them. It was around this time that Chávez's crudely polemical speech vis-à-vis the opposition—the use of insults, unfounded accusations, and frequent expletives—became his signature style. In Venezuela since the 1950s, and in Latin America since the transition to democracy, political discourse on the part of leaders from large political parties was typically moderate and respectful. Chávez jettisoned that approach, and to date he shows neither remorse nor the intention to change his tone.

Politicize social services. By the end of 2003, when the international boom in fuel prices began, the government had begun to convert social policy into an electoral tool. A massive spending spree was launched in a desperate effort to survive the 2004 recall referendum, which the government tried unsuccessfully to block. This was the period during which Chávez's famous "missions" were created. Forming what is essentially a parallel welfare apparatus, the missions are social programs in health, education, and citizen mobilization aimed at key sectors of the population. The office of the presidency itself—rather than the legislature, the existing bureaucracy, or the local governments—controls the missions, and researchers have shown that many of them are used for political purposes: to bolster Chavista politicians, to secure the political loyalties of beneficiaries, and to distribute jobs and other patronage to supporters.

Mobilize "new" voters. In addition to the social spending, the state engaged in a massive voter-registration campaign of dubious legitimacy. It included nontransparent practices such as rapidly providing voting rights to Colombian immigrants. In the six months prior to the 2004 recall referendum, the electoral rolls experienced a spectacular 11.7 percent surge in registered voters.

Encourage electoral abstention by the opposition. Complementing the voter registration strategy, the Chávez government worked to create uncertainty about the electoral process among the opposition. The goal was to foster apathy, defeatism, and abstentionism, and it was achieved through a variety of means. First, Chávez deliberately eroded the objectivity of the National Electoral Council, refusing to heed calls to replace the most biased officials. Second, he created a special set of quasi-partisan "forces" (for example,

How do you evaluate the performance of President HChF [Chávez] in terms of the well-being of the country?[1]



* La diferencia con respecto al 100% se debe al "No sabe/ No contesta"

Desde el mes de septiembre de 2003 la base muestral pasó de 1000 a 1300 hogares entrevistados.

Desde el mes de octubre de 2006 la base muestral (Opinión Pública) pasó de 1300 a 1600 hogares entrevistados.
Desde el mes de Febrero 2007 la base muestral (Opinión Pública) pasó de 1600 a 1300 hogares entrevistados.

the *Círculos Bolivarianos,* or Bolivarian Circles) to defend the administration, watch citizens in local communities, and intimidate opponents. Finally, following the 2004 referendum, the government began to deny jobs and government contracts to those whose names appeared on the petitions that led to the recall vote. In addition, approximately 800 citizens have been placed under investigation for political treason based on their participation in protests. These steps instilled not just resignation but real fear among opposition voters that the notion of a secret ballot was null and void, and that voting for the wrong candidate could be punished. In the run-up to the 2005 National Assembly elections, the irregularities became so crass that opposition leaders decided to pursue the most extreme—and in retrospect, the costliest—form of abstention: an organized boycott, grounded on the hope that the international community would force the government to postpone or annul the elections. The government, however, proceeded without opposition participation, and the result was a new legislature in which the opposition held no seats, down from 45 percent representation in the previous body.

Second Challenge: Preserving Popularity Despite Worsening Public Services

Having survived the backlash of 2001–04, the Chávez administration entered a period of political calm that lasted until mid-2007. It did not use this time to improve the government's technical competence. In fact, on a number of indicators, the signs of serious deterioration were unmistakable. The regime's bureaucratic chaos is reflected in the instability of the cabinet. Between 1999 and 2008, Chávez has had 6 vice presidents, 6 foreign ministers, 9 interior ministers, 12 secretaries of the presidency, 7 finance ministers, 9 ministers of industry and commerce, 6 ministers of health, and 7 ministers of infrastructure. High turnover rates typically suggest an excessively personality-driven administration, weak institutions, and a lack of coherent public policies. The area in which the bureaucratic decay is most evident is also, paradoxically, the sector that is most vital to the government: oil. Production levels today are lower than in the 1990s, but employment levels at the state oil firm, Petróleos de Venezuela SA (PDVSA), have never been higher. There has also been visible corrosion in urban services, policing, education, public works, and health facilities. In 2007, shortages of key consumer goods began to surface as well. Despite these signs of inept governance, Chávez has managed to remain popular, albeit less so than in 2005–06. His relative success is attributable to the following practices:

Massive procyclical spending. Taking advantage of a formidable oil-price boom, the government embarked on one of the most lavish examples of procyclical spending in Latin American history, with little money saved or reinvested in the oil sector or in capital improvements. A significant portion of this spending went to social programs; according to some estimates, funding of such programs increased by 314 percent in per capita terms. Money

Chávez's Assault on the Media

One of the central aims of Hugo Chávez's authoritarian project in Venezuela has been to bring key segments of the country's news media under his sway and suppress alternative, critical viewpoints. Venezuela has traditionally enjoyed a notable degree of media pluralism, but over the course of the Chávez era, a multifaceted official campaign has eroded basic journalistic freedoms. Television and radio outlets have been intimidated, harassed, and wrested away from independent management by the government or forces working with its blessing. During the past 10 years, a raft of local radio enterprises—especially outside the major cities—have been pushed into the hands of Chávez supporters, mostly through buyouts. Of the major enterprises driven off the media landscape, RCTV (Radio Caracas Television) remains the most prominent example. Its broadcasting license was not renewed, and the station was forced to close down its operations, handing over its production equipment and the roughly 60 transmitters it controlled nationwide. The government seized RCTV's Channel 2 frequency after the station's license expired, and began using it to air the state-run Televisora Venezolana Social (TVes). Today, Globovisión is the only privately owned, opposition-oriented television station in operation, but its reach is limited to a portion of the country. Following the February 2009 referendum, some pro-government forces have started calls for shutting down Globovisión. Chávez has also used the vast resources at his disposal to reward media organizations that toe the government line. In a 2007 study of four leading daily newspapers, Andrés Bello University researcher Andrés Cañizalez found that papers loyal to Chávez received nearly 12 times more government advertising than their competitors. The Chávez administration has employed state funds and advertising to create a host of print, television, and radio outlets that adhere to government editorial lines and challenge dissenting voices.

was also channeled to the military, business subsidies, agricultural subsidies, and the public-sector payroll. Indeed, because of the massive sums directed to these areas and to the unimpoverished segments of society, social spending under Chávez was no higher than under his predecessors when taken as a proportion of total government expenditures. This fiscal stimulus generated economic growth rates of 8 to 9 percent between 2004 and 2007. Government contracts were plentiful and large, and in 2007, nationalizations of private enterprises were also expanded. The prodigious growth in state spending won the political support of four key groups: those who receive social benefits (low-income residents, among others); those who

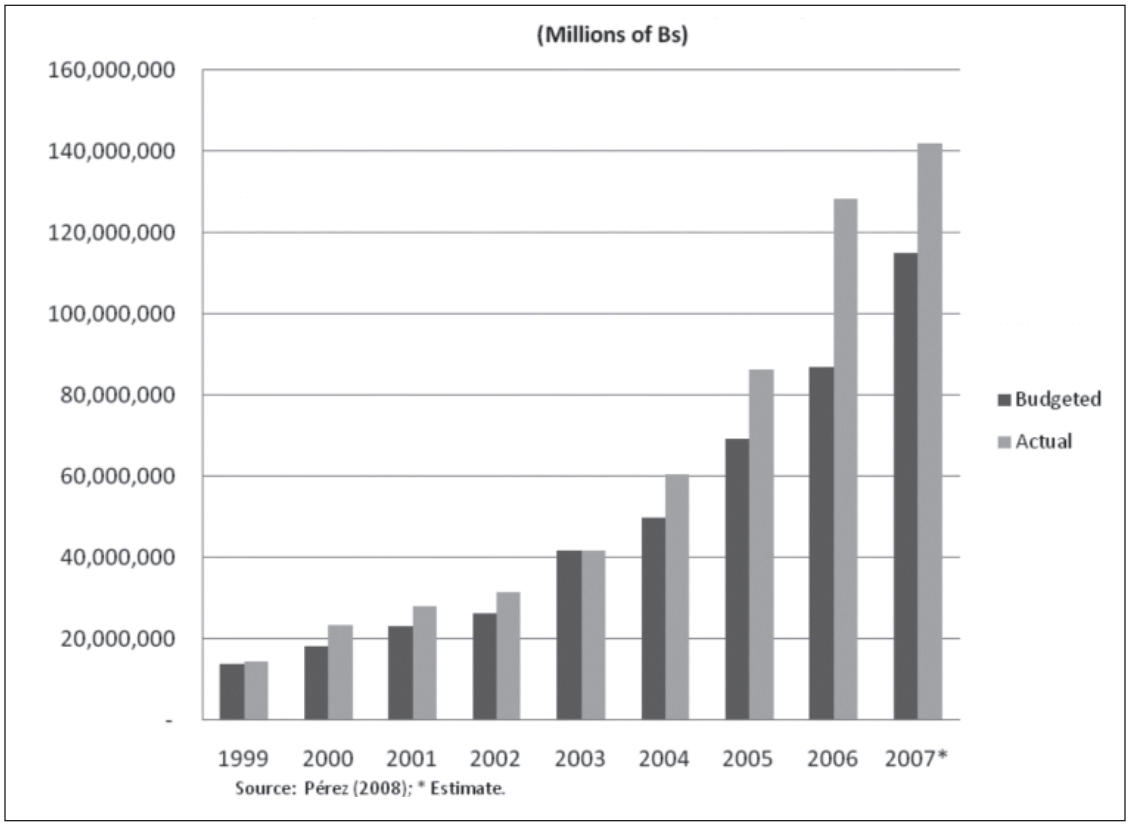
enjoy some formal association with the state (including government employees, whose ranks have increased by approximately 50 percent since 1999); the rent-seeking private sector; and the military. Public-sector workers are a particularly valuable asset to the regime, especially during election periods, as promotions and job tenure seem to be conditioned on progovernment political participation and voting. State employees helped to secure Chávez's victory in the 2009 referendum to lift term limits.

Extrabudgetary slush funds. In addition to the huge budgetary expenditures, Chavismo (until 2008) was characterized by record-breaking outlays of surplus funds without any real accountability or legislative approval. Under Venezuelan law, government revenues that exceed the amount anticipated in the legislatively approved budget must be deposited into a special "stabilization" fund. Chávez took advantage of this provision by submitting budget bills that deliberately underestimated the projected price of oil and then ignoring the rules governing the stabilization fund. For the 2008 budget, for instance, the government made revenue projections based on an oil price of $35 per barrel, far below the actual figure. For three weeks in 2008, Venezuelan oil was selling for at least $116, some 233 percent higher than the budgeted price. This systematic lowballing has generated an average revenue surplus of 20 percent every year since 2002 (see graph on page 72). Chávez has essentially been free to use these vast sums without supervision.

Militarization of government, politicization of the military. In terms of appointments and spending, the Chávez administration has become the most militaristic Latin American regime in decades. Since its inception, it has relied on military figures to run key government programs and institutions. By 2008, eight of the 24 governorships and nine of the roughly 30 cabinet positions were controlled by active or retired officers. Chávez's approach to the military follows a traditional formula of purging and splurging. The government used the 2001–04 period of discontent to identify and remove dissenting leaders. To the rest, it offered generous rewards. Military spending under Chávez has increased sevenfold, and the country has dramatically stepped up the pace of its weapons purchases. Between 2005 and 2007, the state spent an extraordinary $4.4 billion on arms imports, the financial equivalent of building 300 new "Bolivarian" schools, 19 superhospitals, 34 medical schools, and two sports stadiums. This boom in military acquisitions has occurred in the absence of any significant military threat, either foreign or domestic. For Chávez, the military is not a neutral protector of the constitution but rather a guardian of socialism against imperialists and oligarchs.

Curtailed freedom of expression. Freedom of expression has continued to exist under Chávez, but there are fewer means of expression than ever, as the government has reduced the size and restricted the content of the private media. In 2007, the authorities shocked international observers by refusing to renew the operating license of RCTV, a leading private television station. The government also confiscated the company's assets without compensation.

Venezuela—Discretionary Spending, 1999-2007[2]



This was the culmination of a campaign, begun in 2003, to expand the government's share of media outlets in the country. After the RCTV shutdown, Venezuela was left with only three private television stations: Venevisión, Televén, and Globovisión. The last of those three does not have national coverage, and Venevisión carries little political coverage. In 2009, some progovernment forces began to call for Globovisión to be shut down.

The administration and its supporters use financial, legal, and extralegal pressure to weaken and tame the private media. For example, the authorities threaten to deny the outlets access to U.S. dollars—through the exchange-rate regime in effect since 2003—and to cut state spending on publicity and advertising. The government has also imposed a harsh tax code on the media and conducts frequent and arbitrary audits. Violence and intimidation aimed at reporters has been a common tactic, and a "social responsibility law" bans media from issuing information that is contrary to "national security" or disrespectful of elected officials. Certain news programs cannot air outside of prime time, under the pretext that they

are not suitable for children. Furthermore, private media are obliged to broadcast 70 minutes of free government publicity each week. As of mid-2008, the president's own television program, *Aló Presidente,* had been aired 311 times, with each broadcast lasting an average of 4 hours and 21 minutes (in 2006, the average was 6 hours and 22 minutes). The Sociedad Interamericana de Prensa (Inter-American Press Society) issued a March 2008 resolution to condemn the Venezuelan government for numerous actions intended to curtail freedom of the press. Meanwhile, the decline in the number, content, and operations of private media has been accompanied by an increase in state ownership of alternative media. The government has gone on a buying spree, acquiring a large number of newspapers, radio stations, and community news outlets, mostly in small cities. This has allowed it to establish virtual media monopolies outside the largest urban areas.

Impunity as a co-optation tool. Corruption in Venezuela is undoubtedly rampant, with estimates suggesting that less than 5 percent of government contracts go through any type of bidding process. Furthermore, there is little to no legal accountability for graft, as court cases that go against the leadership's interests are virtually unheard of. However, this environment of corruption and impunity is not the product of simple greed or neglect. Instead, it seems to be a political tool deliberately used by the government to distribute patronage, cultivate supporters, and dramatically increase their stake in the administration's political fortunes. The implicit threat is that if the opposition ever returned to power, those who have benefited from the lawlessness of the current regime would be cut off and possibly even prosecuted.

Disrespect for the rule of law as a political tool. Political connections have become the only guarantee for private property and personal security; nothing is being done to curtail crime, which has increased from the already high levels of the 1990s. By expelling the U.S. Drug Enforcement Administration and significantly cutting back on drug interdiction, the authorities have effectively given traffickers free rein to operate in Venezuelan territory. The government also encourages workers to engage in labor conflicts, work stoppages, and even vandalism at private firms. This promotion of economic and social disorder has been pursued with particular vigor in areas where the political opposition has been successful, such as the five states and key cities it captured in the 2008 regional elections. For instance, the government is denying funds and decision-making authority to the Caracas mayoralty and the state of Miranda, both controlled by the opposition. The Chavista-dominated National Assembly recently approved a law that allows the executive branch to "reverse" constitutionally mandated monetary transfers to the states. And the government has nationalized the ports in Porlamar, Maracaibo, and Puerto Cabello, located in the opposition-led states of Nueva Esparta, Zulia, and Carabobo, respectively.

INTERNATIONAL INFLUENCE

Chávez has introduced a number of changes in Venezuela's foreign policy. He converted a cordial relationship with the United States into a spectacle of sustained bickering, and abandoned regional democracy promotion in favor of the exportation of autocratic practices. These shifts have not yielded all of the results that Chávez intended. He remains as dependent on U.S. markets as ever, few Latin American countries have followed his lead in antagonizing the United States, and some moderately leftist governments (Brazil, Uruguay) may have actually drawn closer to Washington in response to Venezuela's actions. Nevertheless, Chávez's foreign policy has allowed him to garner some international support, or at least muffle international criticism, among other gains.

Soft-balancing the United States. After 2003, Chávez began systematically opposing the United States through nonmilitary means, a practice known as soft balancing. This policy has included eschewing cooperation on drug interdiction and other such efforts; building alliances with nondemocratic states including Iran, Cuba, Belarus, and Russia; creating obstacles in international forums, for instance by organizing a parallel, anti-U.S. Summit of the Americas in 2005; making counterproposals to undermine U.S. programs, like the Bolivarian Alternative for the Americas (ALBA) set up in opposition to the Free Trade Area of the Americas; and generating diplomatic entanglements, for example by promoting the deployment of Russian missiles in either Cuba or Venezuela.

The Organization of American States (OAS) has been an important forum for Chávez's soft-balancing activity, particularly after the body, along with the European Union, issued a stern criticism of the state and the ruling party for irregularities during Venezuela's electoral period in 2005. Chávez's strategy at the OAS has been to block almost any initiative advocated by the United States or any other state in favor of democracy and human rights promotion. He has publicly condemned the secretary-general, José Miguel Insulza, especially after his criticism of the RCTV affair. At one point, Chávez used a vulgar pejorative, calling Insulza a *pendejo.* By frequently threatening to withdraw from the OAS—which the delegates would consider an unacceptable diplomatic catastrophe—Chávez seems to have secured the deference of the body.

The Venezuelan regime's policy of soft-balancing the United States is likely aimed at earning the sympathy of an important constituency: radical progressives at home and abroad, who are sometimes so impressed by this strident anti-Americanism on the world stage that they are willing to forgive the shortcomings of Chávez's domestic achievements. The policy may also be designed—like the Cuban model—to elicit more aggressive behavior by the United States, which would provide the regime with an external threat to justify domestic

Petro-Diplomacy

Oil has served as the Chávez government's principal tool for exerting influence beyond Venezuela's borders. Its largesse has been spread across the region, with a number of key states on the receiving end. All told, Venezuela gives some 300,000 barrels per day to over a dozen countries in Central America and the Caribbean. Some 92,000 barrels a day are believed to go to Cuba, whose authorities have relied on Venezuela's helping hand to manage the transition to the post–Fidel Castro era. Chávez's total subsidies to Cuba are estimated at $2 billion per year. However, the new global economic crisis and the associated suppression of energy prices may undercut Venezuela's ability to maintain its subsidy-based system of alliances. To put this effect into perspective, the LatinSouce consultancy has reported that every $10 drop in the price of oil results in a loss of $5 billion in revenue for the Venezuelan government.

crackdowns on dissent. The U.S. government has for the most part avoided this trap, but Chávez has freely posited conspiracies to fill the vacuum.

Soft-balancing Saudi Arabia. Declining production and the need to maintain his fiscal profligacy has compelled Chávez to pursue a strategy of maximizing the price of oil on world markets. This means countering Saudi Arabia's policy of preserving a stable and affordable price, and the struggle between the two often plays out within the Organization of Petroleum Exporting Countries (OPEC). Venezuela, the fifth-largest oil producer in the body, has consequently discovered the benefits of an alliance with Iran, the second-largest producer. Bolstered by cooperation on trade and weapons development, the bilateral partnership forms a powerful check on Saudi Arabia's price-management efforts.

A "humanitarian" rogue state. Since Chávez came to power, Venezuela's policies in Latin America and the Caribbean have shifted from democracy promotion and minimum intervention toward direct interference in favor of receptive political factions. This has led to complicated relations with most governments in the region. On the one hand, Chávez takes actions that irritate many Latin American leaders. He involves himself in their elections, openly derides their foreign policy decisions, issues personal attacks against elected officials, stockpiles weapons, and expects other countries to join in his provocation of the United States. Venezuela under Chávez is, in short, the closest thing to a rogue state in the region since Cuba's period of aggressive interventionism between 1961 and 1989.

On the other hand, Chávez has managed to compensate for these vexing practices by launching a massive "foreign aid" program. Every treaty Chávez signs seems to include an obligatory mention of development goals. Gustavo Coronel estimates that Chávez has made a total of $43 billion in "commitments" abroad since 1999. Of this sum, perhaps $17 billion, 40 percent, could be classified as social investments or foreign aid. It encompasses a diverse portfolio of projects, including oil subsidies to Cuba; cash donations to Bolivia, often used to build hospitals; medical equipment donations to Nicaragua; heating oil subsidies to more than a million U.S. consumers; and $20 million in development assistance to Haiti, the poorest country in the Americas, for investments in education, health care, housing, and other basic necessities. Some estimates suggest that the total value of these offerings or promises is as large in real terms as the Marshall Plan, the U.S. aid initiative to reconstruct Europe after World War II. The Petrocaribe oil program alone, which represents an annual subsidy of $1.7 billion, puts Venezuelan aid on par with that of donor countries like Australia, Belgium, Denmark, Norway, Portugal, Spain, and Switzerland.

However, much of this aid from Caracas consists of blank checks for the recipient governments to spend at will. In effect, Chávez has been exporting corruption, and the product is attractive to leaders who would rather avoid the constraints imposed by international institutions, democratic donors, and private investors.

Using social spending as a foreign policy tool has allowed Chávez to win two types of international allies: other states, which are loath to cross him if they benefit from his largesse, and intellectuals on the left, especially in Europe, who feel that the aid empowers the poor more than elites. Behind this shield of open or tacit international supporters, the regime is able to pursue its more belligerent and antidemocratic policies with minimal criticism.

Relations with major authoritarian states: Iran, China, and Russia. Venezuela has strengthened its ties with authoritarian states for a number of reasons: (1) to bolster the policy of soft-balancing the United States; (2) to obtain weapons; (3) to obtain trade and foreign investment on unaccountable terms; and (4) to secure alliances that will not be subject to the scrutiny of national electorates and can thus veer far from the true national interest of each country.

The relationship with Iran meets all four objectives. The regime in Tehran is one of the main challengers of U.S. policy in Iraq, Israel, and the Middle East in general. Iran also provides Venezuela with arms, and it is conceivable that the two countries could cooperate on nuclear weapons research. In addition, Iran is a leading OPEC member facing shortfalls in oil production, so it shares Venezuela's interest in maximizing world prices and bucking Saudi Arabia's stabilization measures. Iran is also a source of substantial nonprivate investment in Venezuela; the Iranian state-owned oil company is making heavy investments in the Orinoco oil belt.

Relations with Russia are also intended to meet all four objectives, but the main emphasis thus far has been on weapons acquisition. In 2008, Venezuela was perhaps the third-largest buyer of Russian arms (in per capita terms, it was the largest buyer by far). The United States has banned arms sales to Venezuela, which helps to explain the turn to Russia but not the huge volume of purchases. While the military buildup could be seen as an end in itself, it may also represent an effort to win Russian cooperation on OPEC-mandated production cutbacks. (Russia, which is not an OPEC member, tends to take advantage of the organization's restraint by boosting its own production.)

Venezuela's ties with China meet only two of the four objectives—foreign investment and a relationship with an unaccountable regime. Chávez once had high hopes that the country would join his crusade to balance the United States and even buy the bulk of Venezuela's oil, but China has not been taken in. It has thus far limited itself to providing trade, buying limited supplies of oil, and making investments in Venezuela.

Relations with Cuba. Among Venezuela's authoritarian allies, Cuba is probably the most important for the regime's self-image, and the relationship is distinguished by a unique exchange of financial support for ideological endorsement. From Cuba's perspective, Venezuela has replaced the Soviet Union as its main sponsor, supplying handsome oil subsidies that allow the island state to reexport as much as 40 percent of the fuel it receives. This allowance is provided with almost no political or other conditions, unlike any aid or investment Cuba might obtain from international organizations or democratic countries. In return, Cuba serves as the issuer of a certificate of good "radical" credentials, permitting Chávez to flaunt his anti-imperialism and score points among the most extreme elements of the left in Latin America. Cuba also provides tangible assistance in the form of almost 40,000 technical experts, including doctors, nurses, teachers, coaches, and military and intelligence personnel.

Since Raúl Castro became president of Cuba, there has been speculation that the Cuban government is growing wary of the island's dependence on its new benefactor. There are rumors, for instance, that Castro does not like Chávez personally, and that he is pursuing ways to diversify the country's economic ties. Nevertheless, there are reasons to believe that the special relationship between Cuba and Venezuela will endure. Each country is providing the other with assets that are cheap for the donor and valuable to the recipient. Venezuela's subsidy to Cuba consists of a small fraction of its oil production, while Cuba has a surplus of trained technical experts. The ideological endorsement, of course, costs Cuba nothing.

THE 2009 REFERENDUM TO END TERM LIMITS

Before concluding, it would be worthwhile to note the February 15, 2009, referendum in which Venezuelan voters agreed to lift term limits for all elected officials, including President

Chávez. This was perhaps the most consequential political event in the history of Chavismo since the 2004 recall referendum. The removal of term limits significantly increases the chances that Chávez will remain in office for many years, even under bad economic conditions. Research has shown that authoritarian leaders tend to "win" between 80 and 90 percent of the elections in which they run, with the outcomes typically controlled through an array of restrictions and abuses.

Venezuela has essentially done away with a major tenet of Latin American democratic thought that dates back to Argentina and Mexico in the 1860s. The Mexican Revolution of the 1910s adopted the slogan "direct suffrage and no reelection," in recognition of the fact that in societies where the institutions providing checks and balances are feeble, term limits are indispensable for the survival of democracy. The self-perpetuation of an unaccountable, clientelist elite is almost unavoidable in the absence of strong judicial, party, economic, and education systems. Historically, most Venezuelans have understood this reality, and even the 1999 constitution, with its dominant presidency, contained term limits.

By the time of the 2009 referendum, Chávez had already eliminated most other potential checks on his power. Term limits had at least raised the possibility of new leadership emerging from within the ruling party, and this process gained some traction during the 2008 regional elections. With term limits removed, however, major figures in the ruling party will compete only for subordinate posts that depend on Chávez's blessing. In short, the potential rise of some form of intraparty democracy was replaced by the certainty of a servile, pro-presidential party apparatus.

Chávez won this enormously important referendum by using the conventional practices of electoral autocracies: extravagant and illegal state spending, heavy use of public media by the government, bureaucratic efforts to compel state employees to vote for the government, a decision by the electoral authorities to deny funding to the opposition campaign, and the exclusion of the opposition from the drafting of the referendum.

In addition to these standard tactics, Chávez introduced three innovations during the campaign. First, he aggressively encouraged the participation of the roughly one million Chavistas who had abstained from a failed 2007 referendum. Second, by rewording the referendum to allow indefinite reelection for all elected posts (not just the presidency), Chávez unified his party leadership, most of whom welcomed the opportunity to remain in power for life. Third, he made the somewhat bizarre argument that Venezuela's institutional checks and balances were reliable enough without term limits, and that elections alone were sufficient to provide accountability. In other words, the country's political system was more secure than those in other Latin American democracies, and indeed the rest of the world, where term limits are the norm. Although the proposal passed, the opposition increased its number of

votes relative to 2007; these votes will be all the more important now that elections—such as they are—have become the only means of containing presidential power.

FINDINGS

- Venezuela under Chávez has become an even more entrenched petrostate. Today, the Venezuelan state depends more on oil revenues, and on the U.S. market, than in the 1990s. Hydrocarbon wealth has been used to erode checks and balances at home and support like-minded actors abroad.

- Through his opaque subsidies to foreign countries, Chávez is exporting corruption. The disbursal of large amounts of assistance without conditions or standards is more appealing to many countries than the condition-based assistance provided by international financial institutions and agencies like the U.S. Millennium Challenge Corporation.

- Two important elements of Chavismo since 2006 have been the rise of statism in the economy (as a way to expand public-sector employment and reduce the influence of the private sector) and the general promotion of chaos and lawlessness to control the opposition. Life, liberty, and property are increasingly threatened by violent crime, government-linked thugs, and bureaucratic disarray.

- In another aspect of this lawlessness, the government enacts and selectively applies draconian legislation—on corruption, tax evasion, media content, foreign-exchange access, productivity standards, sources of funding, and other matters—in order to eliminate independent or opposition forces in the private media, the business sector, the landowning class, civil society, and rival political parties. Chávez is thus applying a dictum often attributed to a former Latin American dictator: "For my friends, everything . . . for my enemies, the law."

- Despite the government's diligent efforts to eliminate its political antagonists, Venezuela remains a country with considerable political ferment and a vibrant opposition. While opposition groups have long struggled to gain broad popular support, they did win majorities in densely populated regions in the 2008 elections.

- The global economic crisis will no doubt weaken the economic foundations of the regime, compromising its unrestrained foreign and domestic spending. But rather than

transforming the opposition into a viable competitor and driving Chávez from power, the downturn may simply stimulate the autocratic side of Chavismo. Friends will continue to receive privileges; opponents will continue to surrender more powers to the state, face more arbitrary treatment, and receive fewer protections under the law. Boom times allowed Chávez to be an electorally competitive autocrat. The crisis will make him less electorally competitive and more autocratic.

NOTES

1. Jose Antonio Gil Yepes, Luis Vicente Leon, y Octavio Sanz, "Sobre el referendum del 15 de febrero de 2009," *Informe Quincenal,* Escenarios DatAnalisis, Segunda Quincena, Enero 2009.
2. Felipe Perez Marti, "Revision, rectificacion y reimpulso economico," *Reimpulso Productivo,* Ministerio del Poder Popular para la Comunicacion y la Informacion, Caracas: 2008.

Freedom House is a clear voice for democracy and freedom around the world. Since its founding in 1941 by prominent Americans concerned with the mounting threats to peace and democracy, Freedom House has been a vigorous proponent of democratic values and a steadfast opponent of dictatorships of the far left and the far right. Eleanor Roosevelt and Wendell Willkie served as Freedom House's first honorary co-chairpersons. Freedom House has promoted the growth of freedom by encouraging U.S. policymakers, international institutions, and the governments of established democracies to adopt policies that advance human rights and democracy around the world. At the same time, Freedom House provides support to individuals working in the world's young democracies to overcome debilitating legacies of tyranny, dictatorship and political repression; as well as to activists working in repressive societies to bring about greater freedom and openness.

Radio Free Asia (RFA) a private, nonprofit corporation, broadcasts and publishes online news, information and commentary to listeners in Asian countries where full, accurate and timely news reports are unavailable. RFA emerged from the fallout of China's Tiananmen Square crackdown in 1989, when the U.S. Congress sought to create a media service to give voice to those who were silenced and to aid development of a Chinese free press. Today, RFA broadcasts in nine languages to China (Mandarin, Cantonese, Tibetan and Uyghur), Burma, North Korea, Vietnam, Laos and Cambodia. With an emphasis on domestic news and information of unique and specific interest to its listeners, the service broadcasts reach audiences through short wave, medium wave, satellite transmissions and the Internet. RFA's broadcasts aim to promote the freedom of opinion and expression, including the right to "seek, receive, and impart information and ideas through any media and regardless of frontiers." RFA is funded by an annual grant from the Broadcasting Board of Governors.

Radio Free Europe/Radio Liberty (RFE/RL) broadcasts in 28 languages to 20 countries including Russia, Iran, Afghanistan, and Iraq. It provides news and information to countries where a free press is either banned by the government or not fully established. RFE/RL is funded by the U.S. Congress through the Broadcasting Board of Governors (BBG). Based on the conviction that the first requirement of democracy is a well-informed citizenry, and building on a half-century of experience in surrogate broadcasting, RFE/RL aims to empower people in their struggle against autocratic institutions, violations of human rights, centralized economies, ethnic and religious hostilities, and controlled media.