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Rethinking the Asia-Pacific: A Return to Global Strategy

Dillon Clancy

Since the late 1970s, the People’s Republic of China has undergone a dramatic transformation. As described by Kevin Rudd in an article for *Foreign Affairs*, “Within just 30 years, China’s economy has grown from smaller than the Netherlands’ to larger than those of all other countries except the United States” (Rudd). Many scholars and commentators have cited the rise of China as the central issue of 21st century international politics (Ikenberry, 2013 and Minzner, 2007). As the world’s only preeminent power, the United States’ policy on this issue and its relationship with China will have a significant impact on the shape of international politics for many years to come. Cognizant of this challenge, the Obama administration has begun implementing a policy known as the “Asian pivot,” which is intended to refocus American attention away from the Middle East and toward Asia. This policy is appropriate in that it directs American attention toward Asia, home to half of the global economy and a region of long-standing American interest; however, the direction it proposes is in need of serious reevaluation. Rather than directly challenge China, the United States should pursue a policy of “offshore balancing,” in which it distributes the costs of deterring China among its allies in the region, strengthens the existing global political and economic institutions, and engages with China on issues of mutual concern.

An appreciation of history is crucial to understanding the current situation in the Pacific and how it is viewed by each of the actors involved. International politics is not driven by action alone, and certainly not by intent. The role of perception
cannot be overstated, and the perceptions of each actor in a system are informed by their understanding of history. Robert Jervis states in his book *Perception and Misperception in International Politics* that “it is often impossible to explain crucial decisions and policies without reference to the decision-makers’ beliefs about the world and their images of others” (Jervis, 1976). The images that the United States and China have formed of themselves and of each other are of prime importance in understanding the contemporary situation in Asia and to formulating effective foreign policy with which to confront it.

From Washington’s perspective, the United States has played a vital role in the security and stability of the region since World War II. Kevin Rudd writes:

The postwar order in Asia has rested on the presence and predictability of U.S. power, anchored in a network of military alliances and partnerships. This was welcomed in most regional capitals, first to prevent the reemergence of Japanese militarism, then as a strategic counterweight to the Soviet Union, and then as a security guarantee to Tokyo and Seoul (to remove the need for local nuclear weapons programs) and as a damper on a number of other lesser regional tensions. (Rudd, 2013)

Washington also views itself as a promoter of free market and democratic ideals in Asia. The rise of states like Japan, South Korea and Taiwan has occurred alongside close relations with the United States. Following its defeat in the Second World War, the Japanese political and economic system was thoroughly revised by the United States to comply with Western political and economic philosophy. South Korea and Taiwan experienced more gradual transformations, but the result was the same. All three now stand as examples of robust market economies supported by democratic political institutions.
China has thus far challenged the idea that economic modernization leads inexorably to political opening. Coupled with its relative size and potential, this commitment to authoritarian growth has resulted in the perception of China as a threat to American interests in Asia and around the globe. Christopher Layne describes it as such: “China in particular is seen as a threat because its politico-economic system challenges America’s need for a world compatible with – and safe for – its own liberal ideology” (Layne, 2008). While economic power is not a direct threat on its own, as Kevin Rudd notes, “where economic power goes, political and strategic power usually follow.” (Rudd, 2013) American hysteria over a rapidly rising Asian economy is not unique to China. The Japanese received similar attention in the 1980s, which ultimately proved to be unfounded. The Chinese differ from the Japanese, however, in that their political system stands in opposition to the Western model of democracy, which leaves Americans and others uncertain that the Chinese will continue to utilize the existing, U.S.-centric institutions that have shaped the global economy since the Bretton Woods agreements of 1944 (Stephey, 2013). It is less a fear that China will threaten the United States with violence than a concern that the Chinese will begin to establish new international institutions, ones that exclude the United States and remove its ability to control its environment. (Zakaria, 2011). The ability to control one’s environment is a basic tenet of ensuring state survival, which is seen as the central goal of all states in the realist tradition of international relations theory (Waltz, 1954). In his book The Post-American World, Fareed Zakaria writes, “Historically, when the world’s leading power is challenged by a rising one, the two have a difficult relationship”
This simple sentence neatly summarizes the perspective from which most in the United States view the rise of China.

The Chinese, as one might expect, see things differently. In *The Post American World*, Fareed Zakaria refers repeatedly to the term “peaceful rise,” coined in 2002 by a Chinese Communist Party (CCP) official to refer to China’s climb into modernity (Zakaria, 2011). This self-image of being what Robert Ross describes as a “pacifistic, defense-minded, non-expansionist and ethical” culture stands in stark contrast to the mainstream American view (Ross, 2012). The Chinese government is far more concerned with domestic problems than foreign ones. The rapid industrialization and economic growth that has come in the wake of Deng Xiaoping’s reforms has led to massive changes in Chinese society, which have come with unrest (Ross, 2012). While the authoritarian Chinese government has been fairly effective in suppressing dissent, it occasionally boils to the surface, as it did in the 1989 Tiananmen Square protests. According to critics of the pivot strategy (and containment in general), the actions of the Chinese government that the United States and the larger West perceive as aggressive are actually rooted in a deep sense of insecurity (Ross, 2012). The Chinese government sees the stoking of nationalist fervor as a method of maintaining control of their restive populace (Ross, 2012).

According to Andrew Nathan and Andrew Scobell, the basic lenses through which Americans and the Chinese view their mutual history are different. They argue that while Americans see a “long, slow thaw” in relations between the United States and China, the Chinese believe that they have always been the recipients of
aggressive treatment from Washington (Nathan & Scobell, 2012). Just in the time since the People’s Republic was established in 1949, the United States has pursued a policy of aggressive Cold War containment, refused to recognize the Beijing government as the legitimate leadership of China, intervened in the Korean crisis of 1950 – leading to direct combat between American and Chinese soldiers – and armed and sheltered Taiwan, which the Chinese see as a separatist province, not a sovereign state (Nathan & Scobell, 2012). The thaw in relations that came with the policy of détente is acknowledged for the benefits it brought to China, but still seen by the Chinese as a strategic move by the United States to manipulate the Sino-Soviet split to its own advantage rather than an act of friendly engagement (Nathan & Scobell, 2012). While different views and perspectives exist within China, there is broad agreement that the United States wishes to preserve its hegemony and will do whatever it thinks necessary to achieve that end. The Chinese look at the past twenty years and see a United States that has intervened with military force in Iraq, Somalia, Bosnia, Kosovo, Afghanistan, Iraq again, Libya, and that appears to be considering intervention in Syria and Iran. While many of these operations came under the pretext of humanitarian intervention, the Chinese see a United States that is “militaristic, offense-minded, expansionist, and selfish” (Ross, 2012).

Though appropriate to an extent, the Obama administration’s fixation on Asia does not represent a serious change in American strategic thinking. America’s few quasi-colonial pursuits have focused on only one region beyond its immediate neighborhood – Asia. Manifested originally in the purchase of Alaska, the annexation of Hawaii and the acquisition of Guam and the Philippines in the
Spanish-American War and continued today by a series of diplomatic and security commitments, the United States has viewed itself as a Pacific power since the turn of the 20th century. Most of the substantive actions taken by the Obama administration since the announcement of the pivot strategy in 2011 have been evolutionary, rather than revolutionary (Manyin et al, 2012). Engagement with states such as India, Indonesia and Vietnam, ongoing negotiations for the Trans-Pacific Partnership and rotational troop deployments to Korea, Japan, the Philippines and Guam began under the Bush administration (Manyin et al, 2012). The primary contribution of the Obama administration to American involvement in the region has been through the devotion of additional resources and an expansion of preexisting policy (Manyin et al, 2012). The most significant of these expansions have been security oriented, specifically the deployment of U.S. Marines to Australia, the opening of a naval facility in Singapore and the expansion of joint military exercises with many states in the region. The Obama administration has continued the Bush-era policies of pursuing a free trade agreement with South Korea and promoting the inclusion of the United States in regional economic integration, but little definitive action has resulted from these efforts. (Manyin et al, 2012).

The pivot policy suffers from several flaws. First, it is and will continue to be extremely expensive. The Department of Defense, on which the pivot strategy depends a great deal, is facing enormous cuts to its budget in the near future. While President Obama and other administration officials have stated emphatically that these cuts will not come at the expense of the Asia-Pacific, they will degrade the
United States’ ability to project force globally (Manyin et al, 2012). If any lesson is to be learned from the past two decades of American security policy, it is that challenges of the new century will be dynamic and will require a flexible national security apparatus to meet them. It is foolish to pin all of the United States’ strategic resources on a single region, especially when the threat in question is itself becoming a global power. Given a situation of fiscal austerity, the country needs to preserve its mobility. Second, the pivot focuses too heavily on using American military might to intimidate China. According to critics such as Robert Ross, rather than cowing the Chinese, this may have an opposite effect of pushing the Chinese government to take increasingly provocative stances in an attempt to shore up its legitimacy, which relies on delivering physical security and strong economic growth. An aggressive, military-first strategy runs the risk of instigating a “security dilemma,” in which each side’s attempts at increasing its defensive capabilities is perceived by the opposition as an offensive move, triggering yet more defensive posturing, which in turn further heightens tensions. Such a scenario runs the very real risk of escalating into armed conflict (Jervis, 1976). Finally, with its confrontational posture, the pivot risks missing the opportunity to engage with China on issues of mutual concern and to use those opportunities to further integrate China into the current international political and economic architecture.

The answer to the weaknesses of the pivot strategy is “offshore balancing,” a security strategy rooted in the concept of using regional allies to distribute the costs of ensuring stability (Layne, 2008). Applied to the Asia-Pacific, an American offshore balancing strategy would have several key components: delegation of
responsibility for regional security, the facilitation of regional economic integration including the United States, and cooperative engagement with the Chinese. The United States would encourage and assist regional allies in modernizing and improving their own armed forces so that they can serve as a credible deterrent. The threat posed by Chinese military modernization is much more immediate for states such as Japan, Vietnam and India. Each of those states has had a troublesome relationship with China, views its rise with trepidation and would welcome a greater role in securing the region (Layne, 2008). As allies assume more responsibility, the United States would begin to withdraw some of its forward-deployed forces. In particular, the large number of American servicemen and women stationed in Japan and South Korea could be reduced (Ross, 2012). Doing so would reduce friction between the United States and China, facilitating cooperation on issues of mutual concern, and allowing the United States the operational and fiscal flexibility to respond to crises as they emerge around the globe. The United States would maintain a stake in the region by continuing the practice of holding joint military exercises with regional allies and maintaining its nuclear umbrella over the region, avoiding the additional proliferation that many fear would accompany American retrenchment. Diplomatic efforts in pursuit of strong, inclusive institutions like the Trans-Pacific Partnership should continue, as should efforts to integrate China into similar global institutions. By increasing the degree to which the Chinese depend upon these institutions, the United States can maximize the cost of circumventing them, and therefore decrease the likelihood that the Chinese will opt to do so. Finally, the United States should refrain from
pursuing political transformation in China and engage on issues of mutual concern. Pressuring the Chinese on human rights and political freedom will only heighten their insecurity, increasing the chance that they will act aggressively.

During the Cold War, the United States devised and implemented containment, a global strategy to confront the threat of communist expansionism. Since the end of the Cold War, the United States has allowed its field of view to shrink. The country now think in terms of regional issues and confront problems of regional instability. It is time that the world’s hegemonic power returns to a global outlook. The rise of China is an issue that is not confined to Asia; it is matter that will have global implications. Nor is the issue of “rise” limited to China. Brazil, Russia and India have been widely touted alongside China as examples of rising powers. Numerous smaller states spread across the globe are also growing economically and becoming more confident in the use of power. How the United States approaches the rise of China will define how it approaches the global issue that Fareed Zakaria calls “the rise of the rest” (Zakaria, 2011). The United States lacks the political will and financial resources to maintain its preponderance of power through force alone, and has the unique opportunity to define the shape of the world for generations to come; however, it must act quickly while it still retains de facto hegemony. The United States must be willing to work with other nations to secure the globe and build institutions that will facilitate the “peaceful rise” of states like China, while simultaneously maintaining an international system that is favorable to the United States. The “rise of the rest” will be the ultimate challenge
to American power, and the actions taken over the next few decades will define America’s legacy in the 21st century.
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Nicaraguan Periods of Conflict: New Female Frontiers
Frances Chapman

Introduction

During the years 1933 to 1979 Nicaragua was under control of the Somoza regime, a family that brutally oppressed the country’s citizens and restricted their rights. (Walker, 2003). Although the Somoza-led government created the façade of elections, Nicaraguans largely did not have influence upon their government (Walker, 2003). The Somoza dynasty was established with Antonio Somoza in the 1930s after first murdering his political enemy Augustino Sandino and to incur the favor of the National Guard, which detested Sandino (Walker, 2003). Sandino led a band of guerrillas against the oppressive Nicaraguan government of the 1920s, one that was backed by the United States government and resources (Bayle, 2013). Due to this restrictive government, its northern patron, and previous United States interventions in the country, Sandino spoke and wrote fiercely against the United States, calling it propagators of “Yanqui imperialism” (Baylen, 2013). Since Sandino’s murder was at the hands of Somoza, Sandino became a martyr for his efforts and sanctified his cause (Macaulay, 1968).

Because of Sandino’s fervor for independence from United States’ influence and Marxist views, Carlos Fonseca, a Marxist and Nicaraguan liberation movement organizer, incorporated Sandino in the organization’s name, creating the Frente Sandinista Liberación Nacional (FSLN) (Kinzer, 1991). Beyond an ideological affinity, Fonseca made this decision because Sandino represented a figure of
Nicaraguan nationalism and would encourage more participation in the movement by citizens who were unsupportive of the FSLN’s Marxist views (Kinzer, 1991). With Sandino attached to the revolutionary movement, the FSLN had the capability to attract members to their organization of all demographics.

The original Marxist revolutionaries began to organize in the 1960s and overthrew the Somoza government in 1979 (Walker, 2003). The Sandinistas victory and potential political stability did not last, however. Although the Carter administration of the United States was initially open to acceptance of the Sandinistas, Nicaraguan government officials supplied guerrillas in El Salvador for their own Marxist revolution, causing a cessation of American aid and a resumption of tension between the countries (Kinzer, 1991). Moreover, with the election of Ronald Reagan to the United States presidency, clandestine training of counterrevolutionaries, also known as contras, began to destabilize the still-ruling Sandinistas (Walker, 2003). In order to prepare for the conflict, the Nicaraguan government increased the size and capacity of the country’s military (Walker, 2003). As all of the government’s leaders were members of the previous conflict, this new war allowed Nicaraguan citizens to not only become engaged in a national movement, but also seize the potential for self-advancement through the country (Randall, 1981).

During this period, Daniel Ortega, a member of the FSLN and original revolutionary junta, became the first democratically elected president of the country (Walker, 2003). After years of suppression from a dictatorial Somoza regime, the
FSLN had finally fulfilled one of their primary objectives of the revolution: to create a government elected with the interests and the well being of its constituents in mind, rather than those of a foreign entity. As relations with the United States were still rancid and the struggle with the contras continuing, the FSLN government held elections as previously scheduled, even though the nation faced social and economic hardship from the war (Walker, 2003). Although the supporters of the FSLN defeated the contras in the civil war, Ortega and his party were denied control of the government and lost to the Oposición Nacional Union (UNO), which placed Violetta Chamorro, wife of popular newspaper editor Joaquin Pedro Chamorro, as its candidate for president (Walker, 2003). In 1990, Chamorro and the UNO dominated the elections, leaving Chamorro as the first female president of Nicaragua; Chamorro received 55 percent of the vote and the UNO received 51 of 92 seats in the National Assembly while the FSLN received 39 (Walker, 2003). The United Nations, in their first experience of election observation, was joined by scores of other groups and impartial organizations to monitor the voting (Walker, 2003). Though already preceded by a similar event years before, deep political contention had emerged during the civil war, warranting concern that the FSLN-led government would manipulate the results of the election in order to remain in power and continue to advanced their Marxist agenda.

During the revolutionary period and following civil war, the political landscape of Nicaragua was dramatically altered. Not only did the country obtain its first democratically elected officials, the creation of a government no longer held by a dictator allowed more mobility within society. For instance, the Catholic
Church encouraged Nicaraguans to develop political and social awareness of their countrymen and to understand the challenges that existed in these realms (Walker, 2003). Movements such as these altered society itself as its members changed their relationships as they developed new roles in the country. Moreover, with increasing pressure from the United States and implementation of the FSLN’s socialist ideals, the country changed economically as it was strained by struggle (Walker, 2003).

Throughout this period, as the country was socially and politically transformed, no citizens were exempt from participating in the changes of the country. Thus, although it did not spur a full women’s empowerment movement, the revolutionary period and following civil war granted increased social and political opportunities for women. This period developed a distinct opening of women’s capabilities to participate in their society and Nicaraguan government that was not evident during the Somoza dynasty.

**Social**

The revolutionary and civil war periods allowed women to gain new opportunities and power within society, largely through the use of non-governmental organizations (NGOs) and through participation within the military forces of the FSLN and contras.

As the Somoza regime’s hold on Nicaraguan citizens diminished and national interest in the FSLN activated, social groups emerged throughout the country and other entities expanded their capabilities to include social change. For instance, the Catholic Church during this time was directed in the Vatican II Council and the
Latin American Bishops’ Conference at Medellín, Colombia to better address the needs of the world in a more personal and accessible way (Kampwirth, 2002). One of these women, Dorotea Wilson, who later was one of three women on the National Directorate of the FSLN in the 1990s, has stated, “The contact with the progressive clergy helped me to think about poverty in Nicaragua…I joined the Sandinista Front while I was a missionary.” Although Wilson’s statements constitute one instance of a social organization’s involvement leading to a national political position, not all women were afforded this opportunity due to society’s view of women’s subservient status. Men barred many Nicaraguan women from participation in these movements because they perceived these groups as offering a path toward gender equalization and threatening to the culture to which they were accustomed (Kampwirth, 2002). Therefore, many of the members of these social groups were single women, because they were less restricted by male authority via their husbands.

Similar to their experiences within the Catholic Church, women in Nicaragua also formed groups to address their needs as a gender. One organization, the Luisa Amanda Espinoza Association of Nicaraguan Women (AMNLAE) sought to take advantage of the changing social dynamics of Nicaragua and promote gender equality. While these groups did not spur a national women’s liberation movement, they were integral to small-scale social engagement, such as participating in government literacy campaigns, collective crop harvesting, or trials of former Somoza guardsmen (Chinchilla, 2013). The organization was popular with in
Nicaragua and AMNLAE held a membership of roughly 25,000 in October 1981 (Chinchilla, 2013).

As these groups continued their work throughout the revolutionary period and civil war, some encouraged women to join the guerilla forces (Kampwirth, 2002). Throughout the conflict, women constituted roughly 30 percent of the FSLN’s forces, and roughly 15 percent of the contra forces were women (Luciak, 2001).

According to Dr. Karen Kampworth of Knox College, “the FSLN was the first guerrilla movement in Latin America that was truly a dual-gender coalition” (Kampworth, 2002). Due to the comparatively enormous amount of women serving within the guerrilla movement and civil war, men had to acclimate to an environment of collaboration with people that they had previously viewed as inferior. This sense of gender equality was inconsistently present, however. As noted by Dorotea Wilson, an FSLN guerilla leader:

There was more equality in the mountains than after the triumph. We shared what we had. We shared the cooking duties, the gun cleaning, the responsibilities in the cadre...There wasn’t gender consciousness in the guerrilla forces, what there was was an incredible solidarity. At any time men as much as women could be killed. Later a machista life began...They returned to what they considered a normal life. (Kampwirth, 2002)

Many other female fighters have echoed this equality between soldiers, such as Ana Luisa, a Nicaraguan guerrilla who said, “it was never difficult being a woman there, not at all. There was never any lack of respect on the part of our male comrades. On the contrary, there was an incredible solidarity” (Randall, 1981).
All female combatants did not perceive this sentiment of solidarity, however. For instance one such female soldier, Gladys Baez, has stated that when initially joining the FSLN, she was expected by her fellow male soldiers to perform tasks typically associated with women, such as washing clothes and cooking food (Luciak, 2001). Moreover, some women did not acknowledge this gender disparity in their communications, preferring to ignore the lens of gender to focus on the larger perception of the struggle (Luciak, 2001). Yet, the dominating view was that of an opportunity for women to feel equality in a way that they previously had not. For instance, a female guerrilla Lea Guido stated:

Revolutionary practice shows women the full measure of our oppression; it shows us its economic roots, its social limitations and the ideological justifications that sustain it. This forces us to understand that our liberation as women cannot result from our efforts alone, but that in the common struggle alongside our brothers we must play an important role as spearhead: becoming conscious of our condition, analyzing it, and fighting to change it...It is our job to see that our participation continues and grows. The FSLN supports us (Randall, 1981).

Although the conflicts gave women new social opportunities, many of the previous stereotypes of women persisted during and after the revolution. For instance, throughout this period of conflict, images of women as mothering figures were used as powerful examples of propaganda (Bayard de Volo, 2006). Largely these portrayals were used to send messages of guilt to Nicaraguans, since these women were depicted as the mothers of soldiers (Bayard de Volo, 2006). Although a significant portion of the fighting forces were women, not all of them could detach themselves from the perception of a homemaker. Moreover, during this time, women maintained leadership of roughly 50 percent of Nicaraguan households (Maier 39). Women were able to use this perception to their advantage, however, by
forming pressure groups with this image to influence society. However, these organizations were narrow in scope, often projecting traditional roles as homemakers in their messages of women to convey their views (Bayard de Volo, 2006). Thus, although women had maintained a form of social leadership within their homes and utilized this to their political and social advantage, the perception of a women’s traditional role as a homemaker and sympathetic figure was used by both the FSLN and the contras, while these women themselves intentionally or unintentionally did the same. Moreover, while these women were accepted into the fighting forces and treated as equals, many Nicaraguan women perceived this negatively, for they believed the FSLN only accepted them because of the talents that they brought to the conflict, rather than allowing them equality solely based on the fact that they were human beings (Luciak, 2001).

Therefore, throughout the conflicts of both the guerrilla movement and the civil war, women were granted more social mobility due to the opening of space in which to contest the government and the ability to contribute to the FSLN or contra campaigns. However, these contributions did not constitute a major feminist movement within Nicaragua, both because of the engrained sexism and the perpetuation of certain stereotypically female roles, such as that of the mother. It did, however, provide the ability of women to create a social change within Nicaragua that had previously not existed.
Political

As previously mentioned, while the Somoza dictatorship fell, more political space opened within Nicaragua that was quickly filled with groups meant to pressure not only society but political entities as well. For instance, AMNLAE utilized the trial established by the FSLN to punish former Somoza military members, while also celebrating specific female-focused events like International Women’s Day in 1978 with specific expectations on the government. Nearly a decade later, in 1987, due to the efforts such as this to recognize the contributions of women throughout Nicaragua, the FSLN used International Women’s Day as an opportunity to open dialogue about the condition of women throughout the country (Chinchilla, 2013). Pervasive in the message was the concept that women had participated in the revolution and won the respect of the government and male countrymen, while also reaffirming the FSLN commitment to the women of Nicaragua (Chinchilla, 2013). This was not the first time that the FSLN had addressed the role of women in Nicaraguan society; in 1969 the movement declared that it was dedicated to eliminating gender-based discrimination (Chinchilla, 2013).

Moreover, AMNLAE also had direct interaction with the government. After encouraging women to join the military forces throughout both conflicts, AMNLAE sent delegates to the Council of State and Sandinista Defense committees (Chinchilla, 2013). This was particularly noteworthy because the Council of State was responsible for reviewing aspects of the constitution and Nicaraguan laws, granting AMNLAE the ability to directly eliminate provisions of both that
discriminated against women (Chinchilla 376). Furthermore, the newly established National Assembly was responsive to the desires of AMNLAE; the organization successfully lobbied the National Assembly on multiple occasions and spurred the passage of legislation to encourage gender equality (Walker, 2003).

Also in the proclamation, the FSLN highlighted the advancements that the government had already made in regards to protecting the interests of women. These included female participation at the levels of “31.4 percent of government leadership positions, 67 percent of Sandinista Defense Committees, and 26.8 percent of FSLN membership” (Chinchilla, 2013). These acknowledgements of female accomplishments were not rare by the government, who, now with more pressure and participation from women were forced to be more responsive. For instance, Commander Tomas Borge noted:

Women were in the front lines of battle, whether they threw homemade bombs or were in the trenches. They were in the leadership of military units, on the firing lines during the war and therefore have every right in the world to be in the front lines during the period of reconstruction. In the future when structural changes are being made, we must cease thinking of a government of men, and begin thinking of a government of men and women” (Harris, 1983).

As previously mentioned, however, Commander Borge’s statements reflect a theme in social life that can also be seen in the political realm. In order to gain full participation in the Nicaraguan government, women had to first prove that they
had skills and dedication to contribute to the revolution itself, rather than just maintaining the right to participate in the government because they are citizens.

Most significantly, however, is the fact that these statements were made before the 1990 election. While it is evident that Nicaragua does not nearly exemplify a society sensitive to the rights of women in all regards, the Sandinista-led government and guerrilla movements noted and respected the accomplishments and contributions of women during their periods of struggle. Even the typically patriarchal Nicaraguan society affirmed this further with the election of Violeta Chamorro in 1990, demonstrating that the removal of the FSLN from the presidency and majority of the National Assembly was not their policies and attitudes toward women, but rather other factors.

Chamorro, like the guerrilla forces and female allies of the FSLN, was in a sense recognized for her personal contributions to the revolution. Chamorro was the widow of Pedro Joaquin Chamorro, the former editor of La Prensa before he was murdered in what, at the time, appeared to involve the Somoza regime; she also remained one of the co-owners of La Prensa (Walker, 2003). Chamorro, then, suffered a deep personal cost from the revolution and in a highly public way. Additionally, Chamorro was not a member of the FSLN, but rather the UNO, the more conservative group of Nicaragua (Walker, 2003). Her ability to be elected was not contingent upon her party relations.

Prior to this, however, the Somoza dictatorship used the notion of women’s rights as a mere political ploy to garner support and legitimacy. In 1955, the
Somozas lifted restrictions on women’s political participation, granting them suffrage (Kampwirth, 2002). This was after the Somoza family proved unable to utilize the typical stereotype of a female homemaker in government literature to, like the propaganda of the periods of conflict, relate to the emotions of the populace (Kampwirth, 2002). Significantly, besides granting a new legal right, the Luis and Anastasio Somoza campaigned fervently for the acceptance of women into the political realm during the period of the presidential election (Kampwirth, 2002).

Although this would appear to be an extension of rights and concern within even this dictatorship, elections during the Somoza regime were only to establish a sense of legitimacy, as previously mentioned. Therefore, the Somoza government’s approach to women’s rights would be considered even more offensive to women, since their ability to participate in the government would not only be ersatz, but a political chip in a country run on patronage. Fortunately for the FSLN, this attempt to muster female support for the Somoza regime largely failed because women understood after decades of rule by the Somozas that they would not be granted any true political rights (Kampwirth, 2002). Thus, the change between the policies of the Somoza regime and the rule of Violeta Chamorro demonstrate the large extent to which women were given more political opportunity.

Through the progress of the FSLN, the country was able to integrate the political needs of women through interaction with NGOs and by encouraging a more active female voice in the government by recognizing the contributions and dedication that women made to the revolution and the ensuing years of struggle.
Although women still face challenges in their ability to gain equality in a society that, partially due to religious history, is largely patriarchal, it is evident that the FSLN spurred dramatic gains for women politically. For a country that was run by a regime that used women’s rights as a tool for political support rather than due to national interest in this expansion, a transformation to a country run by a woman represents large gains for women’s rights. It is evident that without the work of the Sandinistas in including women in government affairs and fostering a revolutionary culture that depended upon the military support of more than just men, the FSLN was able make enormous gains in integrating women of Nicaragua politically during both the revolution and the following internal conflict.

Conclusion

Ultimately, Nicaragua experienced growth in gender equality in both the political and social realms during the period between the Somoza regime’s end and the cessation of conflict between the FSLN and counterrevolutionary forces.

The Somoza regime restricted access women’s growth socially and politically in Nicaragua. Considering their only interest in the mobilization of women was backed not by meaningful ideology but merely political expediency, their extension of suffrage to women demonstrates a clear lack of interest in incorporating women politically into their government, which remained solely led by men. Moreover, the Somoza government was primarily concerned with campaigning about the social interests of women only when they wanted to secure their legitimacy. In this
patriarchal society, women were not intentionally granted the capability for social advancement during the whole of the regime.

However, this provides a stark contrast to the availabilities afforded during the government from the decades of conflict. In their nationalistic revolution, the FSLN included both men and women in their fight to remove the oppressive Somoza government, and in the FSLN-contra conflict; both fighting forces included women. With a staggering 30 percent of its military force consisting of women, the FSLN allowed the genders to engage in a new social dynamic, one that encouraged collaboration and respect. Moreover, the social changes from military cooperation were bolstered from the activism of social groups. These organizations took advantage of their new ability to contest the government’s policies and empowered women who previously did not have the ability to communicate their desires. For instance, AMNLAE organized women and engaged them in movements such as state-supported literacy campaigns. Furthermore, although Nicaraguans still exist in a clearly patriarchal society, progress was made, as demonstrated by the election of the country’s first female president. Yet, Nicaragua failed to see a full women’s movement during this time, and the government has been criticized for treating women with respect only because of their revolutionary contributions rather than because they deserve rights as humans.

Politically, Nicaragua saw a large development in opportunities for women. Because of the new space to contest the government after the fall of the Somoza regime, groups such as AMNLAE were able to assert their policy interests that
helped expand rights for women. Moreover, both genders were represented in
government roles during this period, allowing more diversity in Nicaraguan politics.
In 1990, this was extended to the presidency, as Violeta Chamorro became the first
female president of the country. Women were also encouraged to vote through
statements from officials recognizing their role in the forming of the government
and their right to participate in it. Again, like criticisms with Nicaraguan society,
many FSLN leaders did not claim women have the right to contribute to the
political system of their country because they are its citizens, but rather because
they made contributions to the revolution and the FSLN.

In conclusion, the revolutionary period and following civil war opened social
and political opportunities for women. Although not sweeping changes, these
transformations provide a stark contrast to the Somoza government, and
demonstrate the progress toward gender equality that Nicaragua has made
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Will globalization help to eradicate, or at least lessen, intrastate economic inequalities or will it only further exacerbate these disparities within developing countries? While there may be positive effects of globalization on developing countries, certain socioeconomic consequences resulting from the integration of multinational corporations in the complex process of globalization are likely to arise that will undoubtedly undermine any constructive impacts. As articulated by Jay Mazur, President of the Union of Needletrades, Industrial, and Textile Employees (UNITE) and Chair of the AFL-CIO International Affairs Committee, "globalization has dramatically increased inequality between and within nations, even as it connects people like never before" (Mazur, 2000). Rather than postulating that developing countries alone deal with internal economic inequality (as data shows this is clearly not the case), this paper seeks to show that the actions of multinational corporations have put developing countries at a severe disadvantage with respect to inequality.

First, globalization must be defined. In attempting to define such an overarching concept, Tomlinson considers globalization “a process by which a global network of interconnections and interdependencies uniting different countries and
regions is getting more and more dense” (Tomlinson, 1999:2). These understandings of globalization point to a continuing process, driven by capitalism and consumerism on both sides of cross border interactions, with an indefinite ending point. In light of this, it is necessary for researchers to consider the possible damages this process may cause and attempt to propose methods by which state actors can mitigate or eliminate these consequences. At the crux of this discussion are multinational corporations, or MNCs, which the business dictionary defines as “an enterprise operating in several countries but managed from one [home] country” (unlike transnational corporations, which have no single “home base,” and are therefore better able to respond to local markets). In April of 2008 Forbes released a special report of the Global 2000 list that ranked multinational corporations by their sales, profits, assets and market values (in USD). The following shows the top ten MNCs in the world, nine of which have profit margins exceeding the current GDP (in USD) of Chad in Sub-Saharan Africa according to The World Bank.

**Figure 1: **Global 2000 MNCs (Top 10)

<table>
<thead>
<tr>
<th>RANK</th>
<th>COMPANY</th>
<th>COUNTRY</th>
<th>INDUSTRY</th>
<th>SALES (SBIL)</th>
<th>PROFITS (SBIL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HSBC Holdings</td>
<td>United Kingdom</td>
<td>Banking</td>
<td>146.50</td>
<td>19.13</td>
</tr>
<tr>
<td>2</td>
<td>General Electric</td>
<td>United States</td>
<td>Conglomerates</td>
<td>172.74</td>
<td>22.21</td>
</tr>
<tr>
<td>3</td>
<td>Bank of America</td>
<td>United States</td>
<td>Banking</td>
<td>119.19</td>
<td>14.98</td>
</tr>
<tr>
<td>4</td>
<td>JPMorgan Chase</td>
<td>United States</td>
<td>Banking</td>
<td>116.35</td>
<td>15.37</td>
</tr>
<tr>
<td>5</td>
<td>ExxonMobil</td>
<td>United States</td>
<td>Oil &amp; Gas Operations</td>
<td>355.60</td>
<td>40.81</td>
</tr>
<tr>
<td>6</td>
<td>Royal Dutch Shell</td>
<td>Netherlands</td>
<td>Oil &amp; Gas Operations</td>
<td>355.78</td>
<td>31.33</td>
</tr>
<tr>
<td>7</td>
<td>BP</td>
<td>United Kingdom</td>
<td>Oil &amp; Gas Operations</td>
<td>261.03</td>
<td>20.80</td>
</tr>
<tr>
<td>8</td>
<td>Toyota Motor</td>
<td>Japan</td>
<td>Consumer Durables</td>
<td>203.80</td>
<td>13.99</td>
</tr>
<tr>
<td>9</td>
<td>ING Group</td>
<td>Netherlands</td>
<td>Insurance</td>
<td>197.63</td>
<td>12.85</td>
</tr>
<tr>
<td>10</td>
<td>Berkshire Hathaway</td>
<td>United States</td>
<td>Diversified Financials</td>
<td>118.25</td>
<td>13.21</td>
</tr>
<tr>
<td>10</td>
<td>Royal Bank of Scotland</td>
<td>United Kingdom</td>
<td>Banking</td>
<td>108.45</td>
<td>14.02</td>
</tr>
</tbody>
</table>

*Source:* Forbes Magazine (2014)
Also worth noting is the fact that, of the countries that house these companies, all are considered to be developed countries with a high income status by the United Nations Development Programme. While these are not shocking points per se, they do raise questions concerning the type of influence that these MNCs are exerting and the socioeconomic status of the countries that are benefiting from their immense profits, which can grow to be even larger than the GDP of the developing countries in which they operate.

In discussing the economic inequality that results from the activities of multinational corporations, there are two factors that directly portray the quantity of international market integration: trade flow (exports and imports) as a share of GDP and foreign direct investment (FDI) as a share of GDP. In watching these two factors steadily increase over the past few decades in response to the liberalization of capital markets, there is a corresponding increase in the degree of income inequality within Least Developed Countries (Ha, 2012). Foreign direct investments have been growing since the mid-1980s, with an average increase of 27.9% every four years from 1986 to 2000. That’s a growth of approximately $1 trillion USD in less than two decades (UNCTAD, 2002) and according to World Development Indicators, FDI flows into developing countries surpassed those into developed countries in 2012. Part of the reason for such dramatic increases in foreign investments in recent years is attributed to MNCs, who have become more numerous and more active as many countries worldwide have begun to permit these corporations to transport their wealth, technology and vast knowledge of international markets across state borders. As Anner and Hossain put it, “Foreign
direct investment is the mechanism through which MNCs establish affiliates abroad and acquire or merge with existing firms located abroad” to obtain access to markets where the labor is cheaper and more abundant, the economic regulations less stringent and the highest profit maximization can be achieved (Anner & Hossain, 2014).

While foreign direct investments have been growing substantially in the past few decades, Gini coefficients have been largely on the rise as well. Gini coefficients are found by looking at a Lorenz curve, which portrays in graphical form what percentage of a certain population possesses what percentage of the country’s wealth, and dividing the area under the curve by the total area beneath the 45 degree line of [perfect] equality. The resulting number, which is between 0 (absolute equal distribution of wealth) and 1 (absolute unequal distribution of wealth), is viewed as the most common measure of inequality within a country. Gini coefficients have been growing since the 1990’s, especially in low income and lower-middle income countries. As indicated in the table below, only the upper-middle income countries have seen an overall decrease in inequality over the past few decades. Low and lower-middle income countries, which in this particular study comprise almost 70% of the total countries sampled, have seen an increase in inequality larger than the average percentage change in the world (out of 116 total countries)
One of the biggest difficulties in discussing Gini coefficients is the lack of information available concerning some countries, most often developing countries. The World Bank has an extensive list of the Gini coefficients for every country in the world, however, a quick glance will demonstrate just how scarce information is from countries such as Andorra and Singapore; this can tarnish or cast doubt on even the strongest quantitative data analyses. However, this should not deter academics from expressing concern regarding the exceptionally high Gini coefficients of low and lower-middle income countries that do provide current information, and the simultaneous increase in FDI worldwide. It is disturbing to see that such large sums of capital are being so disproportionately distributed within these developing countries.

These large sums of capital, in the form of inward foreign direct investments, flow to developing countries through the spending practices of multinational corporations in a process of production that is referred to as a global supply chain. While the term is debated among scholars due to the varied manufacturing
processes of an immense population of MNC actors, Beamon defines a supply chain by the players involved and the comprehensive efforts of the operation (Beamon 1998:2). While the process is determined by its ability to acquire raw materials, convert them into a desired final product and finally deliver these products to the consumers through a retailer, it is comprised of two procedural sections: the (1) Production Planning and Inventory Control Process and the (2) Distribution and Logistics Process (Beamon, 1998). This paper will focus on the first section of the supply chain process, as it includes the suppliers and manufacturers that are often found in developing countries and not distributors and retailers, who are usually located in the developed countries where the majority of the final products will be sold. These suppliers and manufacturers (collectively referred to as vendors) must compete with each other, in a process referred to as bidding, for contracts to participate in the supply chain of the MNCs located in their country. A vendor’s competitive edge lies in how low costs will be and how quickly the final products can be completed, which is composed of the productivity of the workers and the likelihood of unionization or strike. Therefore, in order for the head of a local manufacturing or supplying firm to beat out competitors and profit from the presence of the MNC in his region, they must lower the wages of the workers, maximize efficiency, and discourage potential unions (which disrupt the supply chain) while extinguishing any existing unrest. In this way, profit maximization is achieved for the MNC (because keeping costs low and speeding up production will increase profits and deliver them sooner) and, as any economist will tell you, the ultimate purpose of a public corporation is to maximize shareholder profits.
The tasks of lowering final costs and reducing the duration of the production process are innately difficult to accomplish, especially simultaneously, but are warranted if a vendor wants to be considered for a contract with an MNC over competing vendor firms. These tasks become even more vital when what is known as a monopsony pricing of labor occurs, although in our highly globalized system, monopsony pricing has been replaced in many developing places by oligopsony pricing. This means that, while there are still areas where only one foreign corporation is buying in a market with many producers (monopsony), more often there exists a select few foreign major buyers who are largely outnumbered by suppliers and manufacturers (oligopsony). Whether a monopsony or oligopsony situation, the reality remains that the limited purchasing MNCs are able to set prices startlingly low and largely dictate the contract terms which numerous vendors are forced to abide by in order to viably compete with each other. Not only is this a severe imbalance of power within the supply chain, with price setting power aggregated to the MNCs, but this also causes growth to accumulate at the top of the supply chain and diminish towards the middle and lower portions. Migrant workers and systemically vulnerable groups such as women and children typically receive a meager return, less than their supplier and manufacturer employers, and yet typically they are the ones subjected to the largest proportion of risk.

There are many who would argue that multinational corporations are making great strides in the fight against intrastate inequality. For one, these MNCs are bringing their businesses to developing countries, stimulating their economies and
creating jobs for skilled and unskilled laborers. These jobs often pay higher wages than local jobs of the same variety, which allows workers to make more money than they would while working for a domestic company. MNC spending habits in developing countries are discussed in the work of Graham and Krugman (1991), who suggest that because domestic firms have more comprehensive understandings of and access to local markets than do foreign firms, there is a tendency of MNCs to invest larger portions of capital in markets, which acts as a natural equalizing measure. Chan and Ross (2003) show that in developing countries like Mexico and China, while liberalization of global trade created a decrease in the minimum wage from 1990 to 1999, the minimum wage in manufacturing decreased much less dramatically due to the exportation of manufactured goods facilitated by MNCs.

Certain academics, like Findlay (1978) and De Mello (1999), also posture that MNCs play a role in transferring specialized technology and advanced managerial practices through inward foreign direct investments, which leads to long-term economic growth and industrial progress. One study on FDIs and their effects on economic growth in the Guinea Republic of West Africa showed a positive correlation between the influx of capital and increased school enrollment and employment rates, proposing that “a great deal of the [foreign] direct investments in developing countries has been directed towards activities that are relatively knowledge-intensive” (Lamine and Yang, 2010). Collectively, these views portray MNCs as champions of growth and intrastate equality within the countries they inhabit while overlooking telltale signs that point to a far more harsh reality.

While it is accurate that MNC investments and trade flows involving
developing countries do stimulate economies and may increase GDP per capita, unfortunately, this growth is not altogether constructive. For instance, while the jobs created by MNCs often pay higher wages than local jobs of a similar nature, these jobs are usually skilled-labor intensive and thus these higher wages are going solely to a small group of skilled workers (Ha, 2012), furthering economic disparities between the urban and rural sectors. The transfer of valuable technology, knowledge and financial investments from MNCs to developing sectors of production has indeed been an enormous asset, however, this accumulation of expertise and wealth gives the MNCs a large degree of control over what is provided and to whom it is available, especially considering the frequent oligopsony condition. This aggregation of power, though possibly softened by the superior understanding of and access to local markets by resident vendors, continues to allow foreign firms to put their interests at the forefront of the commercial sector. The findings of De Mello (1999) support the conclusion that investments by MNCs in non-OECD\(^1\) countries results in the reduction of total factor productivity growth. The presupposition that surges in FDI will increase financing of knowledge-intensive activities and potentially lessen the decrease in minimum wages is quite idealistic and, though possible, research by Ha (2012) shows through regression that for every 2.31 FDI increase (as a percentage of GDP) there is a corresponding 1.08 increase in the average Gini coefficient. The same was true for trade flows, with a 38.31 increase in exports/imports (as a percentage of GDP) resulting in a 1.15 increase in the average Gini coefficient. These quantitative research findings irrefutably show that, even with potential constructive utilization of increased
foreign investments and trade flows, there is nevertheless an enlargement of income inequality in countries with increased MNC globalization activity.

In the 1947 original General Agreement on Tariffs and Trade, it was declared “relations among countries in the field of trade and economic endeavor should be conducted with the view of raising standards of living and ensuring full employment.” Unfortunately, multinational corporations whose primary objectives are to achieve the highest possible profit maximization and act in the best interests of their investors cannot wholly follow this mandate. Instead, attaining the lowest costs and speeding up production must dictate MNC actions in developing countries, even if it is at the price of worsening intrastate inequality. Regrettably, this is often the case, as foreign direct investments and trade flows increase the quantity of capital in these developing countries, which is then unevenly distributed through global supply chains. These supply chains aggregate wealth and power at the top, with less disseminating to local suppliers and manufacturers and lesser still to the workers, who are often from the poorest demographic of the population. At the top of these chains, MNCs are able to largely dictate the terms of the arrangements made with vendors due in part to the overabundance of local vendors bidding for projects. All of these circumstances are points of contention within the contemporary discussion of Gini coefficients and their rapid increase in most developing countries in relation to high-income countries. Ultimately, this exposes a larger problem, namely, that MNCs do not act in the best interests of the developing countries in which they operate, and any increases in GDP that result from MNC direct investments and trading flows are ultimately undermined by the exacerbated
economic inequality between citizens of these countries. In his discourse of globalization and inequality between laborers in developing countries, Nobel Laureate Eric Maskin says “the right thing to do is not to try to stop globalization- that would be foolish- because globalization certainly does increase average income in all countries. Rather, what we want to do is allow the low skilled workers of the world to share in the fruits of globalization” (Berger, 2014). How to best accomplish this is disputed, but organizations such as the United Nations and the World Trade Organization are acknowledging and attempting to address the correlation between increases in economic inequality and foreign direct investments in developing countries where strong central governments that can oversee MNC activities and wealth distribution are scarce. While these intrastate inequality indicators are poor today, researchers and academics continue to be optimistic about possible future progress towards equality and development.
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Environmental Degradation and Poverty in India

Samantha Felman

Environmental degradation and poverty are linked in regards to development, however, the nature of their relationship is difficult to decipher. With about 30% of India’s population living below the poverty line and up to 50% of the population depending on natural resources that are being increasingly exploited and degraded, millions of people are in jeopardy. While a popular school of thought contends that the relationship between environmental degradation and poverty is causal and that a poverty trap exists, in which environmental degradation worsens poverty, which in turn worsens the environment, the relationship is not that simple (Brundtland, 1987). Although this nexus occurs to a small extent due to the rural poor’s dependence on natural resource exploitation, poverty does not necessarily cause environmental degradation. However, environmental degradation exacerbates poverty even if the responsibility of environmental degradation falls more heavily on the rich and on the policies of developed nations (Kuri, 2007). Essentially, the poverty trap explanation of the relationship between environmental degradation and poverty is true to an extent, however, the rich as well as institutional and policy issues are a large cause of environmental degradation, which in turn worsens the lives of those impoverished.

Environmental degradation is a serious issue in the developing world with consequences ranging from falling biological diversity and climate change to social
unrest and human impact. In terms of the social consequences, environmental degradation causes and exacerbates poverty for the resource dependent poor (Brundtland, 1987). For example, in the West Bengal region of India, agricultural expansion and improvements were implemented to stimulate growth and poverty reduction. However, these attempts led to poor soil quality because of overuse of fertilizers and agro-chemicals and contamination of the water table through leaching of these nutrients and increased salinity. Although these agricultural innovations did in fact lead to increased crop production, the poor do not have the resources to sustain this type of change; this leaves them in the long run with deteriorated land and even lower profits (Raju, 2009). In terms of forest resources, it is estimated that the rural poor depend on these resources for 9-30% of their income (Gundimeda and Shyamsundar, 2012). Through activities such as collecting dung to sell or use for manure or collecting firewood for fuel, common resources are essential in the livelihood of the rural poor. Therefore, a decline in forest wealth can seriously damage the lives of these resource dependent impoverished people, exacerbating their poverty.

In addition to the economic services the poor receive from natural resources and a healthy environment, ecosystem services significantly contribute to their quality of life. Ecosystem services are the direct and indirect ways in which the environment contributes to peoples’ wellbeing. In the case of the rural poor in India, maintaining forested watersheds upstream can significantly improve rural farmers living downstream. The water filtration, flow regulation, erosion prevention and sediment control provided by watersheds reduce soil erosion on farms downstream.
Additionally, mangrove forests are extremely important for shoreline protection from natural disasters (Barbier, 2010). As the poor are already more vulnerable to natural disaster, these services are extremely important. Floods and droughts disproportionately impact the poor as well. Even natural disasters that only have temporary impacts on the environment can debilitate the economy for years to come (Nadkarni, 2000). The vulnerability to natural disasters is even more prevalent in regards to climate change. Deforestation has direct impacts on the livelihoods of the poor, given their dependence on forest resources and services. However, a major ecosystem service a forest provides is as a carbon sink, absorbing atmospheric carbon. Reducing forests increases the amount of carbon in the air, prompting climate change. The poor, as well as developing countries in general, are more vulnerable to the impact of climate change, especially the increase in frequency and intensity of natural disasters (Chaturvedi, Tiwari, Ravindranath, 2008).

Furthermore, the poor tend to live in environmentally fragile places, making them more susceptible to environmental degradation than the average population. Essentially, the poor are clustered in marginal areas, such as arid land or regions with little rainfall or heavy flooding, so they are at a higher risk for environmental degradation and environmental degradation with impact them more severely than populations living on suitable lands (Barbier, 2010). In addition to the dependence on natural resources of the poor, having a clean environment directly impacts the poor. For example, clean water sources and air are important for their well-being. However, polluted water sources and air continually deteriorate the lives of the poor. Given the marginal and therefore cheaper land that poor people tend to live
on, many factories surround poor areas, polluting the air. Increases in respiratory
diseases have been seen among poor populations in close proximity to factories,
increasing health related expenditures while decreasing the individuals’
productivity and income earning ability (Duraiappah, 1998). Health issues caused
by these environmental issues worsen poverty and their quality of life (World Bank,
2008). The heavy dependence of the rural poor on their natural environment, for
economic or other reasons, demonstrates how environmental degradation seriously
worsens poverty.

In India, a large proportion of rural poor are dependent on natural resources,
also known as a commons or common resources. This means that in order to support
their livelihood, the rural poor must extract resources from their natural
environment, either for their own consumption or to sell and trade to earn a living.
Therefore, it is thought that when the poor become poorer due to environmental
degradation they must increase the amount they exploit their environment,
furthering the environmental degradation. While this may occur, it is not only the
poor who depend on their natural environment. Studies in Jhabua, India
demonstrate that the relationship between resource dependence and income is a “U”
shape, meaning dependence on resources for livelihood is highest amongst the
poorest and richest households in India, with relatively low dependence on
resources for the middle class (Narain, Gupta, Van’t Veld, 2007). Given that the
extremely rich and extremely poor are both extracting resources and therefore
degrading the environment, the poverty nexus is disrupted by this additional factor.
It is no longer just a relationship involving the poor and the environment. While the
poor may be responsible for a portion of environmental degradation, they cannot be held entirely accountable, as they are not the only ones dependent on resource extraction. Additionally, resource dependence does not necessarily correlate to environmental degradation. The extremely poor are extremely dependent on natural resources to supplement their income and provide services, however, that does not mean their actions degrade their environment. Therefore, the activities of the poor must be examined and contrasted with those of the rich. Resource extraction and exploitation varies greatly between that of the rich and that of the poor. The very poor tend to depend on resources such as wood, dung, flowers, leaves and nuts, all needed for subsistence. The rich, on the other hand, depend on higher value resources and activities such as charcoal and timber for sale (Bhattacharya and Innes, 2013). Additionally, commercial actors, benefitting the rich were found to have taken part in the majority of logging that occurs. Logging on a commercial scale for profit has a much larger impact on the environment than the poor collecting timber for subsistence (Duraiappah, 1998). The rich are also the main beneficiaries of environmentally harmful agricultural practices. Given that agricultural innovation is costly, rich farmers are the only ones who can truly sustain these practices in order to produce more food. While many of the practices implemented were successful in increasing food production, they had negative impacts on the environment and significantly harmed the poorer farmers’ livelihoods (Raju, 2009). The activities of the rich are more environmentally degrading and occur on much larger scales than those of the poor (Bhattacharya and Innes, 2013)
Additionally, given the “U” shape relationship between income and dependence and resources, as the poor’s income increases they become less dependent on these forest resources, lessening their impact on the environment. The rich, however, increase their dependence on these resources as their income rises because, for the rich, natural resources are an opportunity to make money rather than a means of survival for the poor. Therefore, the rich continue to engage in environmentally harmful activities at increasing rates as opposed to the poor whose activities have minimal impact on the environment and decrease with as income rises. Furthermore, the poor have more reason to protect the commons, as they are directly needed to support their livelihood. When the environment improves, the economic well being of the poor improves as well. Therefore, the poor have incentive to improve the environment and not overexploit resources. The poor and the non-poor, however, not the rich, all undergo increases in income and economic well-being. The rich, however, as shown by the “U” shaped relationship, get richer as they exploit the environment, eliminating the incentive to protect it. Although improving environmental quality alleviates the poor economically, it does not directly benefit the rich (Bhattacharya and Innes, 2013).

Individual rich people in developing states are a cause of environmental degradation. Rich countries are also actors influencing environmental degradation in developing countries. Developing countries tend to have more lenient policy regarding pollution and environmental degradation. For companies headquartered in rich countries to have access to international markets and therefore the ability to produce or consume in a developing country allows them to profit while the
environment deteriorates and poor people suffer. For example, commercial agencies tend to be large polluters of water sources in order to increase profits. Poor people tend to pollute water sources as well, however, this is due to a lack of proper sanitation, which is a larger institutional policy problem, as opposed to a result of the poor. If looked at from this perspective, an option to combat this issue would be instituting a universal or standardized environmental policy as well as internalizing externalities through programs such as the Polluter Pays Principle. This means that companies would be held responsible for the external environmental damage they cause. Based on this thought process, environmental degradation is caused because of institutional and policy issues stemming from rich countries, as opposed to the poor (Duraiappah, 1998). This leads to the issue that economic development through industrialization cannot be achieved without degrading the environment, and exacerbating poverty among rural poor populations. However, economic development is show to decrease environmental degradation on the macro scale in BRIC countries (Tamazian, Chousa, Vadlamannati, 2009). Additionally, when looked at from the household perspective in relation to the U shaped relationship between income and environmental degradation, alleviating poverty and increasing income of the very poor would lead to a lessened reliance on natural resources and a smaller degree of environmental degradation (Bhattacharya and Innes, 2013). Although poverty does not cause environmental degradation, economic development and environmental protection are not mutually exclusive.
Although the poor have a greater reason to protect common resources, critics who believe in the poverty nexus claim that they continue to overexploit their resources, worsening their own poverty. This phenomenon of overexploiting a commons is known as the Tragedy of the Commons. The Tragedy of the Commons essentially says that individuals who take from a commons will act rationally according to their own self-interest, despite the long-term impact it will have on the whole (Hardin, 1968). Critics argue that the poor will “reduce the quality and quantity of the natural capital they have access to in order to increase current consumption, to the detriment of future consumption” (World Bank, 2008). One way in which they do this is by having more children to help the family collect from the commons, creating more degradation. The increased degradation, in turn, can lead to more children so they can increase the amount collected from the commons (World Bank, 2008). While this argument is true to an extent (the poor do have to increase their consumption due to the degradation, in turn causing more degradation) the resources extracted by the extremely poor are not causing significant environmental damage. The people exploiting resources for their own private consumption, the poorest and most dependent on the commons with the least amount of private assets, do not make a significant enough impact to alter the commons (Narain, Gupta, Van’t Veld, 2008). Additionally, India implemented a Joint Forest Management (JFM) program. This program dictates the state forest department to share produce from state owned forest lands with local people, essentially turning them into commons, and for villages to help manage these lands. In regions with JFM projects, villagers tend to be more dependent on natural
resources and take measures to protect the forests (Narain, Gupta, Van’t Veld, 2008). This essentially refutes the idea that poor people will only act in their own self-interest, encouraging environmental degradation. In addition, a provided solution to counteracting the assumed impact of the tragedy of the commons is to create private property on common land. The thought process is that individuals will then have incentive to take care of their own land. In terms of water, however, many villages in India had rules regarding water use. These rules prevented water shortages and water pollution. Once individual water property rights were introduced in these communities, water shortages and pollution became a prominent issue. Water rights benefited high-income groups who were able to purchase water property rights, further marginalizing the poor and damaging the environment (Duraiappah, 1998). Finally, if poverty and poor people truly caused environmental degradation, then a solution would be to eradicate poverty. However, many policies created to address poverty in hopes to limit environmental degradation have had little success (Duraiappah, 1998). Despite the claims that the Tragedy of the Commons theory is relevant in regards to environmental degradation and poverty, when evident, it does not have a significant impact on the environment and it is shown that poor people understand long term environmental well-being.

Environmental degradation and poverty in India are clearly connected and each influences the other. The nature of this relationship is extremely relevant to potential policies for improving environmental conditions and alleviating poverty in India given the vast amount of impoverished people and declining natural
resources. With about 30% of the population living below the poverty line, the poverty-nexus hypothesis has the potential to impact millions of lives. This theory, originating in the UN Report of the World Commission on Environment and Development: Our Common Future, of 1987, says essentially that environmental degradation causes poverty, and in turn, poverty causes environmental degradation. However, the relationship between environmental degradation and poverty is not that simple and involves many other factors. While environmental degradation does significantly worsen poverty because of resource dependence on the part of the rural poor and ecosystem services provided by the environment, the poor do not significantly contribute to environmental degradation. The extremely rich in India as well as large companies, domestic and international, play the main role in environmental degradation. It is these wealthy agents that overexploit the environment, causing deterioration, and thereby, exacerbate poverty.
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The Islamic Republic of Iran is classified as an underdeveloped country in contrast to many states in the developed Western world. Development, both economic and human, is a complicated issue that permeates into the lives of everyone living in the region, from the governmental elites downward. While underdeveloped, Iran is one of the financially stronger states in the Middle East, with a GDP and GNI higher than many of its neighbors, although generally lower than the world average. However, international economic sanctions have taken their toll, causing economic troubles in some sectors of the economy, along with widespread inflation. Human rights development is equally divided – literacy rates, life expectancy, and living standards give Iran a “high human development” ranking. Yet gender disparity is still incredibly high and the theocratic and non-democratic elements of the government still reign supreme. The combined factors of Iran’s underdevelopment, steps to improvement, and potential outcomes of this crisis make a discussion of its economy noteworthy. While Iran has improved in many developmental areas, there are others where little progress has been made.

Iran is largely an outlier in the international community, which has until quite recently placed harsh sanctions on the country, incurring considerable damage to Iran’s economy. There is a deep and reciprocal distrust between countries in the developed world and Iran, but this distrust is not a recent
phenomenon; on the contrary, Iran’s history with imperialism stretches back over a century and colors not only the country’s attitudes toward the developing world, but also its entire governmental structure and approach to development.

Due largely to its geographical location as a link to India, Iran was a desirable colonial target for the competing powers of Russia and the United Kingdom. The relationship started in the late 1800s after the country had been weakened by a series of internal disputes. Iran’s elites did little to stop these countries from encroaching on their sovereignty, and the corruption and instability of the Iranian political elites sparked one of the key events in modern Iranian history: the 1921 military coup. The coup was successful, and in 1925 the leader of the coup, Reza Shah, became the ruler of Iran. Reza Shah attempted at first to minimize involvement with Russia and Britain, but his desire to develop the country meant that he needed foreign technical expertise, and so Iran was unable to isolate itself completely. During Reza Shah’s reign, Iran seemed set on a path of industrialization and urbanization, developing rapidly but unevenly with a great deal of help from the shah’s government. The mining, construction, and manufacturing industries boomed, but the agricultural sector, which accounted for 90% of the labor force, did not benefit from this reform. Despite trading with world powers such as Germany, the United States, and the Soviet Union, Iran retained the traditional underdeveloped state path of exporting primarily raw materials and importing foreign capital goods. Thus, as dependency theory argues, it became difficult for the country to break free of foreign influence.
Iran transformed into an industrial and urbanized country under Reza Shah, with rapid improvements in public education progressing the creation of new social classes, but Reza Shah’s dictatorial state alienated many of Iran’s religious and intellectual elites” (Ghasemi, 2013). After World War II, Britain and Russia, now allies, joined the United States in invading Iran and exiled Reza Shah. They appointed his son, Mohammad Reza Shah, as the leader of Iran. Mohammad Reza Shah largely continued the policies of his father, seeking to develop Iran as a regional power and instigating social reform and economic development. However, he also frequently ignored democratic processes, taking no account of public opinion and not allowing meaningful political liberties. In the 1950s, growing discontent led to the election of reformer Mohammad Mossadeq as Prime Minister. He introduced numerous progressive policies, including, notably, the nationalization of the Iranian oil industry, which attempted to correct the decades of exploitation of Iranian oil by the British. As a result, he was forced from office in a coup d’état orchestrated by the British and American governments, and the Shah continued his pro-Western developmental policies.

The Shah’s embrace of the West and perceived lack of Islamic ideals, coupled with the memory of foreign intervention in the ouster of Mossadeq, angered many in Iran. By the mid-1970s the regime’s continued oppressiveness and the growing wealth gap in the country set the stage for Islamic leaders, especially the Ayatollah Khomeini, to tie the rising discontent in the country to a populist ideology with Islamic principles. Because of Iran’s less-than-ideal history with the developed world, the ensuing 1979 revolution was not simply a victory of religious Islamic
values over the Western-friendly Shah and his regime; instead, “the victory of the revolution in Iran depended on an alliance between traditional and modern groups, [and] could never have been a success if consensus about the aims of a revolutionary transformation had not been reached between the representatives of these two groups” (Momayesi, 2000). That is, the revolution and the anti-Western sentiment were supported by many of the social groups in the country, not only religious Muslims.

Despite the confluence of societal groups that contributed to the Shah’s overthrow, the government that ensued was neither democratic even secular; instead, Ayatollah Khomeini established a theocratic government with himself in the position of Supreme Leader, the most powerful position in this new Islamic Republic. His legitimacy resulted from a combination of traditional authority, with the right to rule based on longstanding practices and patterns (in this case, centuries of Islamic law); charismatic legitimacy, with the revolution only truly coalescing once he became the movement’s leader; and legal authority, with a system of rules and laws governing not only government actions, but also the people who get appointed and elected. While the revolution was successful with the help of liberal advocates for democracy, Ayatollah Khomeini soon undermined their hope for a new democratic government. Alongside the democratic institutions of the Majles and the elected office of the president, Khomeni established a body known as the Guardian Council. This council, which is composed of twelve appointed members considered to be experts in Islamic law, has the power to approve candidates running for the elected positions of president, Majlis, and the Assembly
of Experts. The Guardian Council, the Revolutionary Guards, and, of course, the authoritative position of Supreme Leader, constitute the authoritarian side of Iran’s government to this day.

The revolution ushered in Iran’s present era of theocracy, and consequently provided a counterargument to Inglehart’s modernization theory, which argues that with modernization comes a society that “cultural[ly] shift[s] from traditional to secular-rational values…brings women into the (non-agricultural) labor market…[increases] political participation …and [causes the] the public [to be] less easily led by authoritarian forces” (Spierings, Smits, and Verloo, 2009). Under the Shah, Iran seemed set on a textbook modernization theory path of development, with a pro-Western, secular approach and rapid industrialization, but that trend reversed with the revolution and the rise of the Ayatollah. The new Islamic regime rapidly “launched a heavy ‘Islamization’ project, making drastic changes in political, legal, cultural, and, less dramatically, economic domains, in order to make them reflect the so-called Islamic principles” (Kazemipur and Rezaei). Religion became an integral part of the institutional fabric of the state, an institution that has survived to present day. However, while Iran may no longer be following the prescription ordered by modernization theory with regards to development, it is not accurate to characterize the Iranian Revolution of 1979 as a developmental reversal. In nearly all categories measured by the human development index, including life expectancy and education, Iran has been steadily increasing, and at a much higher rate than its non-theocratic neighbors, India and Pakistan.
Nonetheless, the revolution of 1979 was a vehement rejection of the Shah’s pro-Western (and what many perceived as anti-Iranian) stance. When the Shah was removed from office, those in charge did not feel warmly toward the West, recalling exploitation by the British, Russians, and Americans, and their removal of Mossadeq several decades earlier. Iran’s less-than-ideal history with foreign powers has manifested itself most clearly in their approach towards their most valuable commodity: oil.

Oil is Iran’s biggest export, accounting for 80% of all government revenue and 5% of the world’s total production of crude oil. This has been a double-edged sword for the country in the past and continuing to this day. Oil was first discovered in Iran over a hundred years ago, but for years, the industry was controlled by a British company, the Anglo-Persian Oil Company. This company paid only a small amount for a 60-year contract, and Iran received only a small share of the profits. Iranians were aware that the British government was receiving more money through taxation of the Anglo-Persian Oil Company than Iran’s government was obtaining through this deal, creating a strong push to nationalize the industry. This was naturally opposed by the British, who imposed a worldwide embargo on the purchase of Iranian goods, challenged the nationalization in the International Court of Justice, and eventually, in large part due to the tensions over oil, overthrew democratically elected Iranian Prime Minister Mohammad Mossadeq. The pro-Western shah and new pro-Western Prime Minister negotiated an oil deal with a consortium of companies that became known as Iranian Oil Participants Ltd, which acknowledged that the state-owned National Iranian Oil Company owned the oil
and facilities in the country Iran’s government and the consortium agreed on a 50-50 split in the profits, an agreement between public and private enterprise that exists to this day.

As a result of this history, the current Iranian government has asserted far more control over the industry, replacing many powerful external companies with those associated with the Revolutionary Guard, a branch of Iran’s military devoted solely to protecting the country’s Islamic system. They also included a clause in the current Iranian constitution prohibiting foreign or private ownership of natural resources. The Iranian state currently plays an important role in the country’s economy, “owning large public and quasi-public enterprises which partly dominate the manufacturing and commercial sectors (World Bank Data, 2013).” Iran’s tariff rate is high, at 19.6 percent, and there are additional layers of non-tariff barriers restricting trade. State-owned commercial banks control over half of the banking sector, and the government directs credit allocation. The intentions behind this wariness of foreign and private investment are certainly understandable; but placing the oil industry in the hands of the political elites has led to several problems typically associated with the resource curse, as well as made it easier for members of the international community to enforce sanctions in their own self-interest.

The resource curse is the concept that countries with an abundance of natural resources are often, perhaps counter-intuitively, worse off developmentally than their resource-poor counterparts. There are multiple explanations for the
resource curse, and like all meta-theories, some appear to be more applicable in the case of Iran than others. Because the Iranian government controls, both directly and indirectly, much of the oil industry, political elites are gaining wealth from the oil industry. This is crucial because “resource rents make state officials both myopic and risk-averse: upon receiving large windfalls, [political theorist Mahdavy] suggests, governments grow irrationally optimistic about future revenues,” and spend more resources on maintaining the status quo than on actively developing (Ross, 1999). Iran does have a five-year development plan in place, but the public sector control of so many industries makes it difficult for the country to innovate and allow for true market diversification. Iran has done little to diversify its exports, which makes the country especially vulnerable to fluctuations in the oil market and, crucially at this point in time, international economic sanctions on the export of oil.

Heavy economic sanctions have been placed on Iran, especially by the United States and the European Union. These sanctions have been led by the United States in an effort to influence policies in Iran, especially their nuclear program, which Iran claims is for civilian purposes such as electricity and medical usage, but the US believes is intended to develop nuclear weapons. These sanctions have taken a considerable toll on Iran’s economy, with Iran’s oil sales being cut in half, Iran's oil exports falling by more than one million barrels per day, record inflation and high unemployment, and lack of access to the international banking system. The latter is crucial, because without the ability to transmit money electronically, even the money that the Iranian government does have in reserve is difficult to
transport. Sanctions caused Iran’s economy to contract in 2012, the Iranian rial has greatly depreciated in comparison to the American dollar, and the World Bank has ruled that Iran’s medium-term outlook for economic growth is negative. Some countries in Asia, such as China (Iran’s number one export market) and India, have moved in to partially fill this gap in demand, but the contraction of the market for Iranian oil has simply increased Iranian dependence on these countries’ markets. The government of former president Mahmoud Ahmadinejad was reluctant to acknowledge any effects of the sanctions on Iran’s economy, but newly elected president Hassan Rouhani has recently struck a deal with the Western powers regarding Iran’s nuclear program and the easing of sanctions.

There is a growing divide in Iran, one that Rouhani’s election has brought into stark focus. This divide is not between ethnicities, as in many countries, and neither is it a divide between Muslims and non-Muslims, as might be expected in a theocratic state; rather, the increasing disparity in Iran is between the religious hard-liners who support the clergy’s wielding of power, and a segment of mostly younger, educated, and globalized Iranians born after the revolution. The rise of literacy and education in Iran has “inadvertently fostered a civil society of dissent,” where the government cannot control what people think – and, increasingly, what some think is to blame the clergy for Iran’s underdevelopment (Momayesi, 2000). This segment of society has not yet forced widespread change to the structure of Iran’s institutions. Many view the strength of the country’s theocracy not as an omnipotent regime, but as an institution that may very well transform into something else – namely, a potential democratic regime.
The issue of democracy’s role in development is a controversial one that has been debated for decades, and the conclusions drawn have very real ramifications for the actions taken by states. Iran’s government already has democratic elements, and if democracy is, as Christian Welzel argues, the “institutionalization of people power,” then Iran’s prospects for democratic governance seem very bright indeed.

The question that must first be addressed is a deceptively simple one: is democracy, in fact, a desirable state of governance? After all, as Karl and Schmitter state, “democracies are not necessarily more efficient economically than other forms of government...are not necessarily more efficient administratively...[and] are not more likely to appear orderly, consensual, stable, or governable than the autocracies they replace” (Karl and Schmitter, 1991). Why, then, should democracy be considered a desirable developmental goal? The answer to this is twofold. First, development occurs not just economically, but socially, and democracies promote an environment conducive to improving social indicators. After all, “development can also be measured by social indicators such as life expectancy, access to clean drinking water, literacy rates, agricultural yields, and the quality of public-health services. On nearly all of these quality-of-life measures, low-income democracies dramatically outdo their autocratic counterparts” (Siegle, Halperin, and Weinstein, 2004). Second, the structure of democracy allows for the type of institutions that enable development; these institutions “enable power to be shared and...encourage openness and adaptability” (Siegle, Halperin, and Weinstein, 2004). Therefore, democracy is not only a system that gives citizens its a voice, but also grants the potential for far-reaching developmental ameliorations.
There are two main features to the debate over whether or not there are preconditions to democracy: cultural preconditions and economic preconditions. In Iran’s case, the cultural argument naturally centers around whether Islamic values are, antithetical to the tenets of democracy or actually encourage democratic philosophies – or, indeed, if they lie somewhere in the middle. The idea that Islamic values are entirely incompatible with democracy is not a new one, but its ethnocentric argument, summarized by Elie Kedourie as “the idea of democracy [being] quite alien to the mind-set of Islam,” implies that “Islamic values” are a universally accepted idea, that they cannot be separated from the state, and that “democracy” refers only to a Western-style democratic system (Kedourie, 1992). In fact, as Robert Hefner argues, “The political ideals [Muslims] derive from their tradition... vary in a manner that reflect competing views as to how Muslims should respond to the challenges of the late modern world. The more significant ‘clash of civilizations’ taking place in today's Muslim world has less to do with an alleged struggle between ‘Islam’ and the ‘West’ than it does with rival visions of Muslim politics” (Heffner, 2012). This rival vision manifests itself in Iran through the believers in the current theocratic system and a complete merger of religion and state, and those who are personally religious but believe they should be two distinct entities. The momentum in Iran, long in the favor of the theocracy supporters, appears to be gradually shifting, as part of a global movement. As Amartya Sen argues, “recognition of democracy as a universally relevant system, which moves in the direction of its acceptance as a universal value, is a major revolution in thinking” – that is, democracy has become, although not universally practiced,
universally valued; these values are distinct and not bound by cultural beliefs or tenets (Sen, 1999).

The establishment of Iran’s theocratic government by no means heralded the end of dissent or secular movements in Iran, nor did it kill the desire of some factions for a democratic government. The government itself, although based on Islamic law, did not fully merge the two; instead, “contrary to the wishes of the radical Islamists...politics became religious and religion became politicized” (Chehabi, 1999). The government became “stained by social coercion, political repression, and economic hardship,” and failed to live up to the promise that the revolution had seemed to herald (Momayesi, 2000). However, in 1997, at a point where there were voters who had not even been alive at the time of the revolution, Iran elected moderate President Mohammad Khatami, a sign of the growing disillusionment in the country. Khatami overwhelmingly won the votes of young Iranians, and his presidency focused on democracy and the rule of law. Although he was repeatedly thwarted by the conservative Islamists in the government, his election, as well as the recent election of Rouhani, who also won a large portion of the youth vote, has demonstrated the will of the Iranian people for a shift in their government – perhaps a gradual shift at first, but a shift nonetheless.

That there is at least a segment of Iranian society that desires a democratic government seems to be clear; murkier, however, is the question of whether or not the Iranian elites will react to these wishes. After all, those in power are often unwilling to give it up, and, as Robinson and Acemoglu argue, “democracy can
flourish in any sort of society as long as the distribution of benefits implied by the democratic process are consistent with the underlying distribution of power” – that is, democratization can occur as long as it benefits those in power (Robinson and Acemoglu, 2012). Iran’s elites currently have little incentive to alter the status quo, but it is entirely possible that conditions will change – if the cultural desire for democracy results in a crisis of legitimacy in the country, Iran’s elites may well determine that they are better off reforming the system rather than leaving themselves susceptible to possible revolutions or impositions.

The greatest threat to Iran’s future development, towards not just democracy but also improved economic standing and living conditions, is Iran’s own elites. Because of the theocratic nature of the country’s government, those in power are largely religious Muslims who are less yielding than many of the people in the country. The Guardian Council has the power to ban candidates desiring reform from running for office, and this is a power they have exercised a great deal; any elected position is filled only with those who have passed the Council’s muster. This imposed uniformity has contributed a great deal to Iran’s outlier stance in the international community, as the unwillingness to compromise so often characterized by those whose positions are safe has led to an incorrigibility within the elites’ structure. If the only people with power are those who fulfill a specific set of criteria, the directions the country can go in the future become limited, and transparency and accountability become limited in all sectors of government. This uniformity is already seen in Iran’s bureaucracy, which, as one of Weber’s characteristics of the modern state, is crucial for development, because this branch of government
actually implements and regulates rules. According the pluralist theory of development, bureaucracies are supposed to be politically neutral and independent, but Iran disproves that concept. Iran’s bureaucracy is incredibly complex and opaque, with corruption and patronage pervading aspects of many Iranian’s lives. Civil servants are poorly paid, and so are more open to bribes, and while some efforts have been made by the state to improve the bureaucracy, there is still very little accountability. This everyday reality of corruption ensures that the wealthier elites in the country get more services than others, and so the Iranian bureaucracy is neither neutral nor particularly effective. This failure of government is relevant not only because bureaucracy is crucial to a states’ legitimacy and stableness, but also because it illustrates a larger point: namely, the Iranian peoples’ inability to hold their elites accountable for their actions. This incompetence leads to a cycle of underdevelopment, where elites are unwilling to change because their lives are relatively comfortable and entrenched, the Guardian Council has the capacity to block candidates willing to reform the system, and the people have a limited ability to respond. However, this cycle could be broken if the Iranian people put sufficient pressure on the elites to make them feel threatened unless they change paths. Indeed, the potential power that this pressure can wield has already been shown in Rouhani’s election and current Ayatollah Ali Khamenei’s newfound willingness to reach a nuclear weapons deal with the United States.

To conclude, Iran’s development has been uneven in many areas throughout modern history, and continues to defy easy categorization. The country’s history with imperial powers has shaped not only its past, but also the very structure of its
government and that government’s approach to the international community. This has largely had ill effects, with the theocratic government that emerged after the rejection of the pro-Western Shah stifling attempts at democracy and often pursuing policies detrimental to the country’s economy, such as Iran’s nuclear program and a lack of resource diversification. However, the country has rising human rights standards, including the key area of education, and these trends, which surpass those of most other countries in the Middle East region, seem only to be increasing. There also appears to be a generational shift in the country between the older supporters of theocracy and younger, educated voters who desire a more moderate approach. This shift has already had an effect, as shown by the election of Hassan Rouhani, but if the Iranian elites maintain their traditional path of self-interest and authoritarianism, there will inevitably be a clash between these groups. For Iran to develop at its full potential, it is crucial for the Iranian elites to recognize that Iran cannot endure forever as an outlier in the international community, and must enact reform to better respond to the wishes of the Iranian people.
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In 1939, turmoil appears to run rampant in the affairs of international politics; World War I has just come to a close. The economies of the countries that ultimately lost World War I dwindle. The Great Depression stretches its overarching arms into the lives of people around the world. Auspicious leaders, like Adolf Hitler, begin to seethe and prepare for what ultimately escalates into World War II. Stage set, author E.H. Carr steps into the realm of Political Science, delving into the idea of the state of international politics during this difficult time period between world wars in his book entitled, *The Twenty Years’ Crisis*. Through this work, Carr explores the idea of the harmony of interests, questioning its practical value on the international stage of politics, critiquing the theory as utopian and, ultimately, unlikely to truly account for the greatest interests of each individual global actor.

In short, the harmony of interests began as a theory preached by Jeremy Bentham as the “greatest happiness of the greatest number of people” (Carr, 2001). As time progressed and laissez-faire politics rose to popularity, political scientists and theorists alike began to use Adam Smith’s laissez-faire theory of economics as a defining factor of the harmony of interests; the theory argues that unregulated trade and economics, in the end, will equalize society, promoting the greatest amount of happiness for the generalized population, agreeing with the ideals of
Bentham. In the eighteenth century, Carr explained that the idea of this harmony of interests began to shift in definition with the progression of scientist and evolutionist Charles Darwin’s survival of the fittest species (Carr, 2001). The harmony of interests was employed to decide “the rational basis for morality” for years leading up to the Darwinian shift in the idea of, what Dostoevsky deems, “the eternal harmony” (Carr 2001). Before the popularization of the theory of the survival of the fittest by Darwin, E.H. Carr mapped out that the harmony of interests mainly dealt with the interests of the individuals, not of the communities as a whole (Carr, 2001). In the United States, after this turning point in political theory, “The harmony of interests was established through the sacrifice of ‘unfit’ Africans and Asiatics” (Carr, 2001). In other words, in the United States, no longer were the goals of one person the same goals and interests of all people; with the assimilation of Africans and Asians in the United States, the Caucasian individuals of European descent began to see themselves as a people group of much greater value than those new immigrants. These xenophobic tendencies led to a shift from the Caucasian seeing himself as simply an individual with specific interests to the man viewing himself as one piece of a much larger community of humans better suited for successful livelihoods. This example substantiates this shift from a harmony of individual interests to a view of a harmony of community interests, the starting point for an overarching idea of a harmony of interests through an international community, an idea that exists today in contemporary politics.

Interestingly, this idea of the harmony of interests manifests itself daily in theory on the grand scale of international affairs through economic relations.
According to Carr himself, “It was the laissez-faire school of political economy created by Adam Smith which was in the main responsible for popularizing the doctrine of the harmony of interests” (Carr, 2001). Without the popularization of laissez-faire economic politics of supply and demand working by the governance of the invisible hand of economics, the idea of the harmony of interests would have been less popular during the twentieth century and even today. No doubt, this economy working itself out freely thanks to an invisible hand mirrors what supporters argue exists at the core of the harmony of interests; because all states ultimately possess the same longings for maximum economic interests, each state will ebb and flow naturally with regards to free trade and economic interests until each state attains the most profitable economic progresses; in Carr’s own words, “…the maximum economic interest of each nation was defined with the maximum economic interest of the whole world” (Carr, 2001). In a word, thanks to the preponderance of the ideals of Adam Smith, the ideas of nations serving their own interests in order to improve the economic goals of others flourished among supporters of the harmony of interests.

Similarly, in chapter four of Carr’s Twenty Years’ War, he explains, “No political society, national or international, can exist unless people submit to certain rules of conduct” (Carr, 2001). At first glance, this assertion substantiates the theory of the harmony of interests; rational beings submit themselves to rational sets of behavior in order to avoid outright war and instead to establish peaceful relations domestically and abroad. However, looking at the situation from a realist perspective, similar to the perspective of E.H. Carr, the comparison between the
harmony of interests and this statement falls flat. Consider the overarching theory of realism, the idea that rational state actors seek only their own self interests and their ultimate well-being economically, politically, socially, and beyond (Carr, 2001). Under this school of thought, singular state actors consisting of individuals “submitting to certain rules of conduct” will almost invariably have ideals and prospects differing from other global actors. Each actor, though possibly acting rationally, may not behave by the identical definition of what may be deemed as rational. In the following example, the United States and France both act as democratic actors seeking peace when it comes to military affairs. The two nations’ economies, however, differ greatly: France boasts a $35,700 per capita, purchasing power parity gross-domestic product (GDP) while the United States averages a $52,800 per capita, purchasing power parity GDP (“France,” “United States”). Clearly, both economies differ with regards to the average per capita GDP. Additionally, in the sense of economic options, the United States favors more laissez-faire policies while France leans on progressively more socialistic economic policies (“France,” “United States”). In the case when economic decisions must be enacted by each state, no doubt, France and the United States will perform differently in order to better improve their economic interests and stakes on a global stage. Carr would agree that a state, such as France, will choose that course which leads to a per capita GDP mirroring the United States; the state, however, will choose that course which best mirrors its own interests. France will not simply accept blows to its economy in order to align its interests with the United States, should circumstances arise. In a word, contrary to the harmony of interests, not all
states in contemporary politics voluntarily accept negative attacks on their economies in an attempt to secure peaceful relations; some nation-states will fight back. This idea blatantly contradicts the teachings of many state leaders who supported the harmony of interests, including American inventor Henry Ford: “We now know,’ wrote Mr. Henry Ford in 1930, ‘that anything which is economically right is also morally right. There can be no conflict between good economics and good morals” (Carr, 2001). One opposing the harmony of interests may argue that, like the example of France versus the United States, one state may act in a manner deemed inappropriate or immoral by another simply in an effort to maximize its own economic profits and solidify its own economic future.

Globally, the harmony of interests as a utopian idea manifests itself daily in media outlets, both domestic and abroad. Carr explains that great powers often assert, that their interests remain the greatest concerns of the people of the globe and their respective countries. One major critique, however, to this harmony of interests arises by political scientists who argue that Third World states do not possess the same interests as those of the First World or communistic Second World. Most countries belonging to either the Third World or failed states lack the same interests as those wealthier countries; these interests range from simple food needs to even military protective services. If the idea of the harmony of interests were valid, one may argue that every nation-state across the globe would possess the same ideas as to what shape a “moral” interest takes. Since, however, countless states deemed members of the Third World find themselves swamped by debt and enslaved by the lack of proper health care or educational services, the idea of a
harmony existing between the interests of the First, Second, and Third worlds, simply, does not measure up. Consider the following statement by researcher Anup Shah entitled, “The Scale of the Debt Crisis:” “In 1970, the world’s poorest countries (roughly 60 countries classified as low-income by the World Bank), owed $25 billion in debt” (“The Scale of the Debt Crisis”). Unsurprisingly, these lower income states continue to owe rising debts to states considered the great powers or those of the First World (Mead, 2012). Once again, the idea that a harmonious blend of interests pervades the world in the twentieth and twenty-first centuries does not add up. If, indeed, all states worked together for the installment of world peace, would not every member of a wealthy, great power offer overwhelming assistance to those nations suffocating from financial crises? If a harmony of interests truly existed between what the average American or European considers a rational man, why do nations like those in Africa and Latin America still suffer at the hands of crushing debt not relieved by wealthier nations? Clearly, the chasm between the wealthy First World and the starving Third World remains wide, offering a caveat for realists that claim the harmony of interests does not truly account for all of the ultimate concerns of every global actor in the twenty-first century.

In order to continue a critique on the idea of a common global interest, one must further explore the definition of a rational actor. According to the Merriam-Webster dictionary, “rational” may be defined as both “based on facts or reason and not on emotions or feelings” and as “having the ability to reason or think about things clearly” (“Rational”). No doubt, what the United Kingdom parliament deems “rational” differs substantially from what the government of Russia may see as
“rational.” As a result, arguably, one government can never truly act rationally in the eyes of every transnational actor. If each state sees itself in its own definition of rationality and how to behave morally, can a cohesive society of all global actors truly come together and exist harmoniously as one solid unit? Carr explains, “Those who deny the possibility of an international morality naturally contest the existence of an international community” (Carr, 2001). Perhaps, under these assumptions of dichotomous definitions of rationality and personal interests, no international community truly exists in the same form as a community consisting within a singular country or within a region of the world. As Carr postulates, a community requires an organized group that possesses similar ideals, government bodies, and ultimate goals of that organization. Statistically, matching up every single state’s interests remains impossible, even in the name of peace. What the United States deems as a peaceful existence invariably differs from what the regime of North Korea decides as peaceful actions. As Carr would propose, contrary to a liberal outlook, the anarchical environment of the globe still pervades society today. States act out of their own interests and according to their own definitions of morality. Carr articulates this idea best by stating, “… people still hesitate to act on the belief that the good of the world at large is greater than the good of their own country” (Carr, 2001).

No doubt, E.H. Carr’s assessments of the harmony of interests paint a compelling argument for the state of world affairs as one controlled by the powerful First World and for the needs of world leaders to devise a system of communication and democratic processes in order to ensure some level of ultimate peace for the
world. Though quite liberal in initial thought, Carr himself points out several times throughout *The Twenty Years’ Crisis* that in every society, a balance of utopianism and realism must exist or humans risk living in a bleak world of realist pessimism or a naïve globe of utopian optimism. Carr bluntly posits, “We must therefore reject as inadequate and misleading the attempt to base international morality on an alleged harmony of interests which identifies the interest of the whole community of nations with the interest of each individual member of it” (Carr, 2001). He makes a compelling argument not to mistakenly assume that the interests of one nation, such as the United States, constitute the highest interests of the world at large. On the other hand, Carr’s arguments do indicate that world leaders must increasingly take a step in conversing with other nation states, primarily of the Third world and of authoritarian regimes, in an effort to uncover what their true interests encompass and how the states of each corner of the globe may work together to help each other achieve some level of prosperity, both socially and economically. Since the interests of one state do not define the goals of all, perhaps a broadened conversation may begin to piece together a greater puzzle consisting of the ideal prospects of each state. No doubt, Carr outlines that the interests of each state do not live in harmony; however, Carr’s critique does encourage political scientists to aid each state in defining its own terms of what “harmony” truly encompasses. It also possibly helps them garner a deeper understanding of how states, recognizing their autonomous self-interest rather than a harmony of identical ideals, can press forward in society through more peaceful aims with less negative repercussions of global magnitude.
Unquestionably, in his 1939 work entitled *The Twenty Years’ Crisis*, author E.H. Carr successfully questions the practicality of the theory of the harmony of interests and constantly criticizes its true, innate value on the international stage of politics. By outlining the grandiose, utopian tendencies of the harmony of interests, Carr’s crafts a compelling argument for realists and liberalists alike to reconsider the international affairs between transnational actors. Carr questions the harmony of interests’ persistence on the global stage, and, instead, encourages theorists to seek a new method to truly account for the most compelling interests of each state competing on the world stage.


