

States grew increasingly unilateralist, Wolfensohn contended with an international board of directors that did not share the American appetite for war in Iraq or protracted engagement in Afghanistan. In 2002 the bank established its first ground office in Afghanistan since 1979, but rebuilding activities were stymied by ongoing conflict, corruption, and a brisk drug trade. In 2003, it was shut out of the Pentagon's planning for reconstruction in Iraq but was later pressed to help with nation-building. Still, Wolfensohn was buoyed by global enthusiasm for poverty alleviation. An international coalition of nonprofits mounted the Jubilee 2000 campaign for debt relief for poor countries, and the United Nations' member countries pledged through the Millennium Development Goals to reduce poverty and to improve health, education, and development assistance by 2015.

Since Wolfensohn's presidency, the global economic crisis has exacerbated entrenched poverty around the world. According to World Bank figures, nearly half of the world's six billion people still live on less than two dollars a day; when factors such as education, health care, and credit access are taken into account, the picture is even direr in some of the world's poorest places. The Obama administration,

which has been occupied with two expensive military conflicts and a number of domestic policy battles, is only now beginning to articulate a comprehensive international development strategy.

In the meantime, under the leadership of former U.S. trade representative Robert Zoellick, the bank has ratcheted up its commitments to crisis locales including various African states, earthquake-ravaged Haiti, and now Pakistan. Many of the additional billions have come from developing countries themselves—countries that are now the engines of global economic growth. In exchange, the bank recently changed its voting structure to give nations such as China (now its third-largest shareholder), Brazil, India, Indonesia, and Vietnam greater say in running the place, and is considering ways to shift the balance of power further, including, quite possibly, the inauguration of a non-American president. Perhaps more than the legacy of any leader (even one of Wolfensohn's wattage), it is the more prominent role of developing countries in determining bank policy that will redefine the institution: a brave new World Bank for the new economic order.

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CONTEMPORARY AFFAIRS

American Conspiracy

Reviewed by Thomas Rid

OVER THE PAST FIVE YEARS, Andrew Bacevich has emerged as one of the most prolific and eloquent critics of American foreign policy. In several influential books and essays, Bacevich, a professor of international relations and history at Boston Uni-

WASHINGTON

RULES:

America's Path to Permanent War.

By Andrew J. Bacevich.
Henry Holt.
286 pp. \$25

versity, has often walked the fine line between scholarship and mass-audience opinionating. As a self-styled realist, he has mostly crafted these positions with detached, historically balanced analysis.

Washington Rules breaks with this trend: It is the passionate, personal, and polemical story of how Bacevich, as an Army officer visiting Berlin in 1990, embarked on an educational journey that led him to discover the ideological roots of America's path to permanent war. At times *Washington Rules* articulates a sophisticated critique of the United States' global ambitions. But with this book, Bacevich is dancing along another line. He now has at

least one foot in the murky territory of conspiracy theory.

The first indicator is Bacevich's obsessive use of dogma and quasi-religious language. The country is run not by presidents and senators, but by something bigger, the "Washington rules." These rules start with the "credo": All presidents from Harry S. Truman to Barack Obama have faithfully adhered to a "catechism" of American statecraft founded on four assertions: (1) The world must be organized and "shaped." (2) America, and only America, has the vision, the will, and the wisdom to lead and enforce this global order. (3) America has articulated the principles that govern the international order, and these principles are, not surprisingly, American ones. (4) The world, despite occasional complaints, wants the United States to lead.

The other half of the Washington rules consists of the "sacred trinity": the convictions that the United States must maintain a global military presence, that it must configure its forces to project power globally, and that it must counter anticipated threats around the world with interventions. The credo and the trinity—terms Bacevich uses throughout the book—promise prosperity and peace but, in effect, usher in the opposite: insolvency and perpetual war.

Washington Rules imposes a grand and simplifying scheme on a vast set of complex facts. Consider Bacevich's explanation of the Washington rules' origins: the cloak-and-dagger world of Cold War spies and the hidden Air Force command centers where cigar-chomping four-star generals devised strategies for nuclear overkill. The most important masterminds were Allen Dulles, the first and most influential director of the CIA, and Curtis LeMay, the first and most influential commander of the Strategic Air Command, the agency that was in charge of nuclear war. These two "semiwarriors," as Bacevich calls them with a curl of his lip, "left an indelible mark on our age." He describes how the Washington rules and America's global footprint survived the defeat in Vietnam as well as the demise of the Soviet Union, aided by legions of semiwarriors on the left and the right, apparently uninfluenced by partisan politics. President Bill

Clinton's secretary of defense, William Cohen, conserved the rules, and his secretary of state, Madeleine Albright, midwifed them into the 21st century. President George W. Bush's defense team, Donald Rumsfeld and Paul Wolfowitz, applied them in Afghanistan and Iraq.

For Bacevich, there is an obvious "chain of events" that paved the way to 9/11: the overthrow of Mohammad Mossadegh in Iran in 1953; America's "deference" to Israel after the 1960s; U.S. dealings with Saddam Hussein in the 1980s; Washington's support for jihadis in Soviet-occupied Afghanistan; and the Gulf War in 1990–91. If George W. Bush had acknowledged the connection between these policies and the fall of the Twin Towers, Washington's sacred dogma would have been called into question, so he deliberately ignored it. Instead, under the Bush administration, the standard of debate fell to a level "hitherto achieved only by slightly mad German warlords."

Bacevich carefully acknowledges that the Washington "elite" is not all-knowing and often just doesn't get it. Yet, especially when he discusses recent examples, he unearths willful deceit. General David Petraeus's counterinsurgency doctrine, for instance, is dismissed as "counterfeit coin," a strategy that only gives the *appearance* of purpose to military activity, and in truth is a recipe for more and more wars in the various broken quarters of the world. Bacevich dismisses the threat of Islamic terrorism in a nonchalant way, shrugs off the geopolitical relevance of the Middle East and Central Asia, and disregards mad dictators eager to get their hands on nuclear weapons. Osama bin Laden, Saddam Hussein, and Kim Jong Il are ridiculed as not more than "a motley collection of B-list foes"; North Korea, Syria, and Cuba are derided as "pygmies." America and its allies seem to have no A-list enemies. Consequently, there is no need for Bacevich to suggest alternative policies beyond just "getting out."

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This book is a pity. U.S. foreign policy in the Middle East and Central Asia, driven by ideology and now hope, is indeed producing more and more questionable outcomes. An authoritative and constructive critique by an outsider with an insider's knowledge would be highly welcome. *Washington Rules* offers a few illuminating glimpses, but no balanced view. Bacevich ends up doing a great service to his reviled semiwarriors by handing them a straw man they will manage to shoot down with ease.

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Poor Man's Bank

Reviewed by Jeremy Lott

THE POOR WE MAY ALWAYS have with us, but must they always get a raw deal? That's the question award-winning journalist Gary Rivlin poses in *Broke, USA*. "Poverty, Inc.," is the somewhat loaded term he uses to describe financial services firms that cater to the working poor—people in American households making up to about \$30,000 a year. Normally these folks scrape by, living paycheck to paycheck. But once a year they are flush with cash. Thanks to the Earned Income Tax Credit, they receive lump-sum payments from the federal government, often equivalent to two or three months' salary.

There are many reasons for persistent working poverty—from single parenthood to injury and disease to just plain awful luck. But this once-a-year payday has arguably made things worse by encouraging poor habits. Instead of trying to conserve some of their scarce resources to build capital or deal with unexpected expenses,

BROKE, USA:
From Pawnshops to Poverty, Inc.—
How the Working
Poor Became Big
Business.

By Gary Rivlin.
HarperBusiness.
358 pp. \$26.99

poorer Americans are more likely to spend every penny of their current paycheck before the next one comes. They rely on their income tax "refunds" (an inaccurate term because poor Americans receive back far more than was withheld from their paychecks) to pull them out of the financial sinkhole.

To get by between paychecks or to absorb unexpected expenses (e.g., a broken-down vehicle), they often need to borrow money. Because of their meager incomes and cyclical spending, they can't get the sort of credit that is available to America's middle class. That's where Poverty, Inc., comes in. In Rivlin's telling, that's also where the problem starts.

From any one or two poor Americans, there is not a lot of money to be made. But poor people's numbers add up to a market that is extremely lucrative for lenders willing to take some added risks—Rivlin estimates revenues of roughly \$100 billion a year, a figure that has seen a meteoric rise over the last two decades as mom-and-pop operations have given ground to large, publicly traded corporations such as Dollar Financial Corporation and Cash America International. Some of these business models are very old, while others are of more recent vintage: pawnshops, check-cashing centers, payday loan shops, instant refunders, lenders that specialize in "subprime" loans.

These institutions extend credit to the poor, but at a steep price. Big payday lenders such as



Temptations abound for low-income customers to cash out—for a price.