



The J Curve

A New Way to Understand Why Nations Rise and Fall

by Ian Bremmer

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Take-Aways

- To understand the political and economic behaviors of different countries better, political scientists devised a J-shaped curve.
- The J curve depicts how a country is rated on openness and stability.
- Stability is defined as the country's resilience and ability to withstand political or economic shocks from either internal or external sources.
- Some countries are stable because they are open and have reliable institutions, and some are stable because they are closed, and have strong rulers.
- The right side of the J curve is characterized by open political and economic systems. The left side shows hierarchical governments that control their citizens' access to information and ideas.
- Nations in crisis must move to either side of the J curve to maintain their power.
- When a nation or region has established stable political and economic institutions, it can withstand a shock and maintain its national integrity.
- Political instability is incompatible with terrorism and nuclear weapons.
- Several closed regimes maintain their power by controlling significant oil revenues.
- North Korea is the most dangerous nation in the world.

Rating (10 is best)

Overall	Importance	Innovation	Style
9	8	9	9

Relevance

What You Will Learn

In this Abstract, you will learn: 1) What the J curve represents and why it matters; 2) How the world community can deal with unstable nations; and 3) Where certain nations fall on the J curve.

Recommendation

Nation states today are part of a delicate, interconnected global system, so one country's failure can create worldwide instability. While individual countries' problems seem disjointed, author Ian Bremmer provides a unified, overall way of explaining how nations develop in a world of constant change. He uses a "J curve" graph – featuring a center line shaped like a sans-serif J anchored in the top right corner and tilted like a fishhook – to categorize countries according to their openness and stability. With this analytical system, Bremmer explains how each country flows along the J curve according to its unique history, culture and politics. Because his profiles make the world situation easier to understand, *getAbstract* considers this a major contribution to fostering a comprehensive view of world affairs. This book may not change the world, but it will help more people understand its intricate interconnections and why certain countries act as they do.

Abstract

Stable and Open Societies

The world of foreign policy groups nations as stable or unstable. Stable countries can handle bad jolts to their political or economic systems, and still function. These stable nations can be open or closed, democratic or authoritarian. Ironically, such countries as pre-war Iraq, North Korea, Cuba, communist Russia and communist China, are deemed stable because they are or were closed to outside political and economic influences. In contrast, open societies, such as the United States, Japan and Sweden, are stable because they have free economic and political interchanges with other nations. They can withstand shocks because they have stable institutions that can manage crises.

To illustrate different nations' political and economic behaviors, political scientists devised a J-shaped curve that gauges how a country rates on openness and stability. Countries can move fluidly along this "J curve" as they progress from being open societies that share ideas, goods and services, to being more closed and restrictive, or the reverse.

Visually, the top of the J is in the upper right hand corner of the chart and lies at an angle toward the bottom left. Graphically, the J curve tracks the trait of stability on the vertical axis and openness on the horizontal. Countries on the left of the J are less open; those on the right are more open. On the vertical axis, more stable countries move toward the top of the curve, and less stable ones are near the bottom. Openness refers to the level of financial, economic and political interchange among citizens, and between the country and the outside world. Stability denotes resilience and the ability to take internal or external political or economic shocks. However, the J curve's measurements of openness and stability are not sensitive to whether a country is a democracy or a dictatorship. Both can produce stable nations, though with varying degrees of openness. Each nation's J curve is unique, given its history, culture and geography.

"A nation's stability is based on two factors: the capacity of the state to withstand the effects of shocks, and the ability to avoid producing them."

"Stability enables a nation to remain a nation."

"All states are in constant motion on the J curve."

“The J curve demonstrates... that reform of an authoritarian central government forces a left-side-of-the-J-curve state toward instability on the way to greater openness.”

“There is a counterintuitive relationship between a nation’s stability and its openness both to the influences of the outside world and within its borders.”

“For a country that is ‘stable because it’s closed’ to become a country that is ‘stable because it’s open,’ it must go through a transitional period of dangerous instability.”

“It’s more efficient to re-establish order by declaring martial law than by passing legislation that promotes freedom of the press.”

Why the Curve Is Important

When a nation’s political and economic institutions are established, it can withstand a shock and maintain its integrity. Because Germany had a history of stable government, it could rebuild after World War II with an infusion of money and supplies via the Marshall Plan. Nations with low stability function at a lower level after a shock (manmade or natural). They can maintain their laws, but they struggle to enforce new policies or challenges to their authority. When a state is unstable, anarchy results. Somalia, a failed state, collapsed during its 1991 civil war and deteriorated into tribal rivalries that killed 500,000 people. It’s doubtful whether an infusion of money alone could have reversed the trauma, since Somalia had no history of stable governance.

A nation that survives a crisis must move to one side or the other of the J curve to maintain power. A move to the left means it stops communicating with the outside world, as China did during the Tiananmen Square riot. Alternatively, a country can become more open and move to the right, which is how South Africa reacted when it opted for more transparency and openness as it dealt with the aftereffects of apartheid. Countries constantly move along the J curve path as they react to external and internal events.

Economics also affects the J curve. A weak economy is more susceptible to deeper, faster shocks because it lacks the ability to rebuild infrastructure or restore external trade. When the tsunami hit Indonesia, it did substantial economic damage, but the country moved up on the J curve as a result of significant foreign aid.

A nation facing a challenge is better off on either side of the J curve than at the bottom, where openness is low and instability is high. A leader at the bottom of the J curve must maneuver to either side to stay in power. The leader of a repressive nation would not take the risk of reform (moving from left to right on the J curve) without being sure of retaining power afterward. Such political instability is incompatible with terrorism and nuclear weapons. That is why authoritarian states pose a special problem, since they cannot endure. When they collapse on the left side of the J curve, the unpredictable results can destabilize entire regions. To deal with authoritarian regimes, the world should contain them, and offer them economic and political inducements that encourage openness and financial interdependence. This explains the U.S. rationale for encouraging Russia and China to join the World Trade Organization.

Authoritarian Regimes

Authoritarian regimes on the far upper left of the J curve include countries such as Cuba and North Korea, with long-lived dictators. To maintain power, these dictators restrict the exchange of ideas. But maintaining isolationism requires using the country’s limited resources. In a closed society such as North Korea, even a device as simple as a cell phone can inject new ideas. These regimes are unstable because they often depend on a single dictator’s personality. The ruler’s death triggers power struggles.

Authoritarian regimes stay isolated by antagonizing other nations. U.S. sanctions buttress North Korea’s self-imposed isolation and its anti-Western propaganda. Then North Koreans become more alienated, which solidifies the regime, though it is a renegade government that harbors terrorists, pursues a nuclear weapons program, and sells narcotics, counterfeit currencies and ballistic missiles. Lacking international relations, it needs foreign currency, so – dangerously – it will sell anything to anyone, including nuclear weapons to terrorists.

To counter this danger, the U.S. must push for regime change by exposing the population to the benefits of economic reform, while preventing Korea from selling weapons to

“Iran, Saudi Arabia and Russia are three of the most complex and potentially unstable countries in the world.”

“The goal of American policy should be to drive a wedge between Iran’s ruling conservatives and everyone else in Iran.”

“There will one day be regime change in Iran, and the energy that produces it will come from within Iranian society.”

“Arab leaders have discovered they can quash opposition political movements far more easily than they can control the content of sermons.”

rogue nations. The problem is that South Korea and China do not endorse a policy of nonproliferation against North Korea. The U.S. must convince them to change that policy. The Chinese hold the key to reforming North Korea, because China fears an onslaught of refugees. A free flow of ideas or cultural influences, such as seeing the good life portrayed on South Korean television, could trigger a revolt inside North Korea.

Unstable Nations

Unstable nations threaten everyone, but there are degrees of instability. Iran and Russia, which have held elections, and Saudi Arabia, a monarchy, which has not, are unstable, but not authoritarian, so some internal reform movements exist. Unstable nations can be open or closed. Unstable closed nations can open gradually if their officials manage the liberalization sequentially to avoid chaos.

Arab nations often repress dissident political parties, but they allow radical clerics to preach antigovernment messages. Nondemocratic Arab nations maintain power by restricting their citizens’ information flow. That is changing somewhat now, due to cable television. Some closed regimes maintain power by controlling oil revenues, which enables them to repress their people’s democratic ambitions. Today, 34 developing nations derive at least 30% of their export revenues from oil and natural gas; two-thirds of them are not democratic.

Western governments should foster new, native political voices in Arab nations, as opposed to dealing only with elites. In these cases, oil prices can buttress a closed regime, but oil price declines can disrupt the fragile economies of repressive regimes. This happened in Venezuela in 2004 and in Egypt in 2003. When a nation slides toward the bottom of the J curve, it becomes very unstable and faces the danger of collapsing.

Managing the Transition

A nation in transition can emerge on either side of the curve toward being more open or more regressive. In South Africa, the end of apartheid and the emergence of a new national party led to a more open, democratic country. In contrast, Yugoslavia suffered the same fate as the Soviet Union when conflict erupted among competing states, ethnic groups and political factions. When its Communist leader, Josip Tito, died in 1980, minority populations flexed their nationalism and the economy declined. Competing groups struggled for governmental power. Since Yugoslavia was a closed society, it began to slide down the left side of the curve into disorder. A year after Tito’s death, the country was under marshal law. For the next five years, tensions increased between Albanians and Serbs.

In 1987, Serbia’s president assigned an aide, Slobodan Milošević, to investigate Albanian violence against Serbians. Milošević said that a genocidal campaign was under way against the Serbs in Kosovo. Milošević’s popularity soared. Propaganda whipped the nation into a frenzy, fueled by revived memories of past ethnic murders. By 1989, Milošević controlled four of the country’s eight territories and the nation was close to coming apart. In 1990, various factions proposed unification plans, but reached no agreement. The worst war in Europe since WWII broke out as Yugoslavia fell into the deepest part of the J curve and into turmoil.

Political Stability

Open political and economic interchange and access characterize the right side of the J curve. Here, countries have stable institutions, which matter even more than charismatic leaders. Right-side countries embrace openness by adopting multiparty government, fostering economic competition and accepting change, as happens in Turkey and Israel.

“All states on the left side of the J curve are eventually headed for instability and fundamental change, because repression and isolation from the outside world cannot be maintained forever.”

“In the long run, cultural protectionism undermines cultural vitality as surely as economic protectionism limits economic growth.”

Turkey, which sits in the middle of the right side of the J curve, is a rarity: a secular democratic Muslim nation. It evolved through the vision of its founder, Mustafa Kemal Ataturk, who ruled Turkey from its founding in 1923 until his death in 1938. He modernized by limiting the rule of Muslim clerics, granting rights to women and encouraging a multiparty system. Today, only 6% of Turkish men are illiterate compared to 28% of men in other Arab countries. Ataturk modernized Turkey and instilled nationalism. The modern Turkish military has maintained order but never taken government power.

Today, despite significant internal reforms, Turkey is still awaiting full membership in the European Union (EU). If Turkey is admitted, it will become a liberal Muslim nation operating under Western institutions, which will slide it up the right side of the J curve. But if the EU rejects Turkey, it can slide down the curve and to the left. America should work with the EU to admit Turkey. If that fails, the U.S. should strengthen ties with Turkey, so it keeps modernizing.

The China Question

Due to its economic and political size, China’s place on the J curve poses a special concern. Despite less restricted internet use and its vested interest in the global economic system, China is on the left side of the J curve. The reason: It lacks independent institutions that can counter the absolute influence of the Chinese Communist Party and its police state apparatus. While China has a quasi-open economic policy, it does not allow political dissent. China marginalizes ethnic minorities and maintains secret police files on citizens and their work units. Previously, people were not allowed to live where they wanted, but that is slowly changing.

All nations change constantly. In the past, the Chinese Communist Party loosened restrictions to meet short-term goals, and then tightened them again. China’s dilemma is that it is fostering capitalist-style economic growth in a controlled society. Each year, citizens hold thousands of antigovernment demonstrations. As these become better attended and organized, they could push the J curve and the communist party toward instability. In the interim, the party must buy time by redirecting public anger toward an outside enemy (the U.S., Japan, low-level corruption). When the protests become larger and less focused, the government will use force to quash them. Chinese authorities should use social channels, such as a free press and public demonstrations, to give its citizens the political benefits of their new economic power.

In contrast, India is politically open, but its economic opportunities are restricted. India’s citizens can vote out corrupt officials and vent their dissatisfaction in protests and in the press. These outlets prevent large-scale social disruptions. China’s communist leadership still distrusts democracy and prefers a more “scientific” approach to expanded development. But if China’s middle class continues to expand, and can access more information, it can move toward the right side of the J curve without chaos.

About The Author

Ian Bremmer, president of a political-risk consultancy, also wrote *New States, New Politics: Building the Post-Soviet Nations*. He is a *Slate* columnist and a political commentator on CNN, FOX and CNBC. He has written more than 200 articles in international publications, including *The Financial Times*, *The Wall Street Journal*, the *Harvard Business Review* and *The New York Times*.