

The region's factories are benefiting from an inflow of workers from the countryside, reallocation of capital to more efficient enterprises, and the demise of inefficient businesses. But labor productivity is still only about one-fourth of the U.S. industrial average, and diminishing returns are going to set in, just as they did in other developing nations in the past, predict Jefferson (of Brandeis University), Hu (the National University of Singapore), and Su (Beijing University). When that happens, the economists say, "China's GDP growth can be expected to slow sharply."

China's future growth will largely depend on developments in other sectors and regions. The authors find evidence that noncoastal industry is slowly catching up with the success stories of Shanghai and Guangzhou, although its labor productivity is still 30 to 40 percent behind. But the gap between industry and the huge services and agricultural sectors widened between 1995 and 2004. Getting those two sectors moving faster will require deep institutional reforms, from an overhaul of banking laws to the establishment of more firmly grounded property rights. Even if that happens, however, the benefits will be limited

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by diminishing returns.

There are some caveats to all this. The authors compare the size of the U.S. and Chinese economies using today's exchange rates, assuming no change in the future. And by an alternative measure of gross domestic product called purchasing power parity, China will likely overtake the United States "as early as 2010."

EXCERPT

Just Visiting

Our apartment—a five-minute walk from the bridges over the Rhone River, at the point where it emerged from Lake Geneva—had been rented furnished. This was how I came to associate living in another country with sitting at tables where others had sat before, using glasses and plates that other people had drunk from and dined on, and sleeping in beds that had grown old after years of cradling other sleeping people. Another country was a country that belonged to other people. We had to accept the fact that the things we were using would never belong to us, and that this country, this other land, would never belong to us, either.

—ORHAN PAMUK, Turkish novelist and Nobel laureate, in *The New Yorker* (April 16, 2007)

OTHER NATIONS

After Fidel

THE SOURCES: "Rethinking the Cuban Embargo: An Inductive Analysis" by Douglas A. Borer and James D. Bowen, in *Foreign Policy Analysis*, April 2007, and "Castrated: The Bush Administration's Aversion to Dealing With Cuba Is Reducing Our Influence on the Island—Just When There's a Chance to Encourage Change," by Joshua Kurlantzick, in *Washington Monthly*, April 2007.

FIDEL CASTRO MISSED HIS 80th-birthday party in August, the anniversary of the Cuban Revolution in December, and the annual workers' parade on May 1. He hasn't been seen except on television since undergoing emergency intestinal surgery last August. Could his apparently grave illness mean the imminent end of the Fidel era, the

lifting of the U.S. embargo, and the normalization of relations with the United States? Don't count on it, judging by Cuba's recent actions, say Douglas A. Borer of the Naval Postgraduate School and James D. Bowen of the University of Wisconsin, Madison. And America's tactics are making such a happy ending even less likely, writes Joshua Kurlantzick, former foreign editor of *The New Republic*.

The Cuban government "does not want to see the embargo lifted," Borer and Bowen contend. The ban on trade gives Castro an excuse for the country's poverty, and an enemy to blame it on. Although the

European Union has twice successfully challenged the legality of the U.S. sanctions against Cuba before the World Trade Organization, Cuba hasn't bothered to press its advantage. Indeed, it failed even to sign on to the cases as they were being argued. This "inaction at the WTO is potent evidence of Havana's true policy preferences," Borer and Bowen write.

Ever since Castro handed over power to his brother, Raul, last summer, the interim leader has been consolidating his authority and making high-profile visits to military installations, Kurlantzick writes. Meanwhile, the United States is acting as if Cuba will rapturously embrace democracy, just as it expected in Iraq. President George W. Bush has already appointed a director of the Commission for Assistance to a Free Cuba to help oversee the transformation of Cuba's political system, the privatization of Cuban industries, the possible transfer of property to returning exiles, and even the management of Cuban programs such as national retirement funds and traffic safety initiatives. "In Iraq at least we waited to invade the country before appointing a transition coordinator," Kurlantzick quotes a former U.S. diplomat in Cuba as saying.

The commission is seen as a pay-off to the older, vehemently anti-Castro Cubans who supported Bush during the 2000 election, and marched on his behalf to stop the Florida ballot recounts his campaign opposed. In the years since, America has tightened its embargo and stepped up its television and radio broadcasting into the island, as if

pursuing a civilian version of "shock and awe." Maintaining the embargo, however, plays straight into the hands of the current regime, Borer and Bowen say.

In strengthening hard-line policies against Cuba, "the U.S. prepared for the least likely scenario, a democratic revolution, and didn't prepare for the most likely, a gradual hand-over," Cuba scholar Daniel Erikson told Kurlantzick. The United States has squandered its potential influence by allying itself with only the most extreme faction of Cuban exiles, according to Kurlantzick: "The prospect of instability upon Castro's death is not outlandish, and the Bush administration's failed policy has reduced our ability to ensure things go smoothly."

OTHER NATIONS

Who Is Sakamoto Ryōma?

THE SOURCE: "History's 100 Most Influential People, Hero Edition" by Nippon Television Network, April 1, 2007, at *Japan Probe*, www.japanprobe.com/?p=1471.

FURTHER CONFIRMATION, IF any were needed, that we all have a firm sense of our own place in the world is the release of "History's 100 Most Influential People, Hero Edition," a survey conducted by the Nippon Television Network, Japan's largest broadcast system. Thirteen of the top 20 slots on the list, and about half overall, are occupied by Japanese people, an impressive—if somewhat ethnocentric—sprinkling of samurai, daimyo, and shoguns.

In the place of honor, at number one, is Sakamoto Ryōma, a revered

samurai who helped negotiate the resignation of the Tokugawa shogunate in 1867, which led to the Meiji Restoration. Ryōma's plum position sets a pattern; many of the revered Japanese figures seem to have a rebellious and certainly warlike bent, and many who had a hand in toppling the high and mighty appear to have sturdier reputations than even the emperors. Oda Nobunaga, at number three (Napoleon managed to grab the second slot), was the son of a 16th-century minor warlord who almost managed to unify Japan. On the cusp of achieving his goal, though, he was forced to commit seppuku, many believe by one of his own generals, Akechi Mitsuhide (No. 10).

Japan's fascination with heroes from its own past means that many figures who might be considered



Japan's greatest hero, Sakamoto Ryōma, wearing the *hakama* and sword of a samurai warrior, beat out Napoleon as history's most influential person in a Nippon Television Network survey.