DYING BEFORE BLOOMING

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The world press dutifully gathered on Hong Kong's Victoria Island on June 30, 1997, for what promised to be a watershed event in world politics. Britain was handing its long-time colony over to China at midnight. The return of Hong Kong to Chinese control was widely viewed as a symbol of Beijing's rising prominence and power. The loosening grip of European countries on their last few colonial possessions was evidence of their decline. Flags were lowered and raised; Charles, Prince of Wales, and Chris Patten, the last British governor of Hong Kong, sailed away on Her Majesty's Yacht *Britannia*; fireworks boomed in the sky in spite of persistent drizzle; and parties ebbed and flowed to the familiar rhythm of New Year's Eve festivities.

I had just graduated from college and moved straight to Hong Kong to work for a magazine, with the naive goal of witnessing history. Near dawn on July 1, I sat on a barstool in one of those drinking nooks in the city's Central district roughly the size of a station wagon, watching on television as armored personnel carriers brought Chinese troops from Shenzhen into the area north of Kowloon known as the New Territories. I did not make a big deal about it. I had already been warned not to.

The jaded investment bankers and currency traders who frequented the bars and clubs of Wan Chai and Lan Kwai Fong set me straight immediately when I arrived: no one but tourists talked about the handover. In practice, it was little more than a ceremonial show. The change of sovereign power didn't really matter. It was simply a new name stenciled on the door of the same old office, with the same people buying and selling inside. The real action was in the financial markets, which cared little for the neatly pressed uniforms and shiny bayonets of the soldiers marching in formation on the stage at the Hong Kong Convention and Exhibition Centre.

The truth behind their cynicism became clear when on July 2, one day after HMY *Britannia* had sailed, Thailand's central bank announced that it was breaking the peg that tied the value of the *baht* to the United States dollar. The Bank of Thailand had spent USD 60 billion trying to defend the value of the country's currency; USD 23 billion of that had to be borrowed. It was an act of surrender in the face of insurmountable market forces for a country the size of Thailand. It was also a beginning rather than an end. The Thai currency would lose roughly half of its value, as would the South Korean *won* and the Malaysian *ringgit*. Indonesia's *rupiah* plunged 80 percent. Thailand's concession had set off what became known as the Asian Financial Crisis.

In turn, my biweekly salary never came again. The Thai media mogul who owned the magazine where I worked had made his money in stocks and real estate that had plummeted in value. At the office cappuccino machine (which would soon be repossessed), I heard that the mogul had fled his creditors and was hiding out in a Buddhist monastery. My roommate evicted me from his apartment. I found myself on the sofa of an electrician friend working on the new Hong Kong airport and his girlfriend, the kindest bartender I have ever met. After a few months of eating away at my savings, waiting for back pay that would never come, I left Hong Kong, broke and unemployed, one of millions thrown out of work by forces of international capital we did not fully understand.

Michael Lewis wrote of the Asian crisis in *The New York Times Magazine* in 1998, "Financial collapses are dissatisfyingly abstract. They leave no trace of their destruction, outside of a few sale signs and a skyline of unfinished construction." But there were real repercussions. The suicide rate in South Korea rose by a third over the next year. In Indonesia, where the *rupiah* had suffered such a drastic collapse, there were riots, stores were looted, and ethnically Chinese shopkeepers were killed, blamed for rising prices and other economic woes. After dominating Indonesian politics for three decades, President Suharto was forced to resign.

The United Nations Monetary and
Financial Conference (the Bretton Woods
Conference). Bretton Woods, New Hampshire,
United States, July 1, 1944

The word "contagion" became ubiquitous on the business pages as the difficulties spread to Russia, Brazil, and beyond.

Criticism focused intently on the organization that stepped in to clean up the mess: the International Monetary Fund. The IMF demanded strict measures in exchange for bailout funds—spending cuts and privatization and regulatory reforms—that many felt infringed the sovereignty of nations. Prime minister Mahathir Mohamad of Malaysia said the crisis was a conspiracy intended to rein in the rising powers of Asia. As the prominent American economist Martin Feldstein put it in *Foreign Affairs*, "the tough program conditions make it difficult to get a country to work with the IMF until it is absolutely necessary. The IMF appears like the painful dentist of the old days: just as patients postponed visits until their teeth had to be pulled, the countries with problems wait too long to seek technical advice and modest amounts of financial help."

In a speech in Los Angeles in March 1998, Stanley Fischer, at the time first deputy managing director of the IMF, pointedly disagreed with "critical misconceptions" about the fund's role, singling out Feldstein. "If the medicine to cure the crisis had been tasty, the country would have taken it long ago," Fischer said. "Rather the medicine will usually be unpleasant." Whether its prescriptions were right or wrong, the IMF had grown into a powerful symbol of an economic order that had dominated the globe since the end of World War II, and all the discontents that came with it.

Fischer, born in the territory that became Zambia, who after his stint at the IMF would become governor of the Bank of Israel and now serves as vice chair of the United States Federal Reserve, is in many ways a living exemplar of the system as we know it. In the same speech he described the purpose of the 1944 United Nations Monetary and Financial Conference, known as the Bretton Woods Conference after the resort area in New Hampshire's White Mountains where it was held, as: to "rebuild the international economic system, whose collapse had contributed to the Great Depression and the outbreak of war. To this end they proposed setting up the International Monetary Fund, the World Bank, and what much later became the World Trade Organization." These institutions, leaders believed, could protect the world from the economic chaos that fueled so much violence in the first half of the twentieth century.

Taryn Simon's latest show, *Paperwork and the Will of Capital*, takes as its subject the stagecraft of power. She has focused on one peculiar tic of set design: the flower arrangements that appear in photographs of meetings between heads of state. Photographs of the signing ceremonies held to enshrine agreements between nations regularly include vases full of exquisite floral arrangements. Each event that she chose involved one of the Bretton Woods signatory nations.

The Bretton Woods system in essence pegged currencies to the United States dollar, while the dollar remained tied to gold. As Europe and Japan recovered from the destruction and began exporting goods again, the supply of dollars around the world expanded dramatically while the American gold supply began to dwindle. The system ended in the early 1970s, the crucial blow dealt when President Richard M. Nixon announced in a televised speech on August 15, 1971, that he had "directed the secretary of the Treasury to take the action necessary to defend the dollar against the speculators," by suspending the convertibility of the dollar into gold. The move was not temporary, however, and the gold window, as it was called, remained closed.

Despite the floating exchange rates, the institutions created under the Bretton Woods system continued to operate, with the promise that they were helping to ward off excesses, failures, and collapses. Yet since the Asian Financial Crisis of the late 1990s, the world has lurched from the bursting of the Internet stock bubble to the mortgage crisis, the Great Recession to the euro crisis. One could be forgiven for coming away with the impression that money has a mind of its own. Central bankers, finance ministers, and traders add up to a fragmented Wizard of Oz, blustering and putting on a distracting show when they appear powerless before the will of capital just like the rest of us: if you don't trust us, trust our well-tailored suits, our seals and banners, and our vases full of gladioli.

Some of the agreements that Simon chose to feature are famous, such as the Treaty on European Union of 1992, also known as the Maastricht Treaty, which formally established the European Union. Others are not well known at all, such as the agreement to construct the Trans-Afghanistan Pipeline, signed in 2010, for a U.S.-backed natural-gas pipeline. That pipeline will probably never be built, considering the instability and violence still plaguing the country. The paramount status of energy, whether in the form of oil, natural gas, or nuclear fuel for reactors, is clear. A sketch of postwar history appears, with Soviet satellites reaffirming their commitment to Moscow as the Prague Spring is crushed, then making concessions to Poland's Solidarity movement, which will help lift the Iron Curtain.

Even the most recent agreements have echoes of the deep past. Representatives of Egypt, Sudan, and Ethiopia met in Khartoum on August 26, 2014, to discuss the future of the Grand Ethiopian Renaissance Dam in the country's northwest. The dam is intended to help vault Ethiopia into the ranks of developed nations. But Egypt views any damming of the Nile as infringing its rights, citing British treaties from 1929 and 1959 but also ancient precedent. Ousted Egyptian president Mohamed Morsi said in 2013 that "Egyptian blood" would flow to offset the lost Nile water.

Workers were already toiling around the clock with backhoes and bulldozers to build

Screenshot of a video released by Al-Hayat Media Center, the foreign-language-media division of the Islamic State, showing foreign fighters burning their French passports, 2014 the enormous hydropower plant on the Blue Nile, which will create a reservoir of nearly 650 square miles. The Ethiopian government has posed the project as a great patriotic endeavor. Ethiopians have contributed more than USD 350 million, either by donating money or by purchasing bonds. "Workers on the government payroll, some of whom make as little as USD 32.68 per month, have been pushed to buy bonds worth a full month's salary every year through a system that deducts straight from their paychecks," Jacey Fortin wrote in *The New York Times* in 2014.

Though it officially controls only the part of the Nile that runs through its territory, Egypt understands the river as central to its economy, culture, and sense of historical greatness. In ancient times, the Egyptian kingdom's agricultural economy thrived on the annual Nile flood, when the river would climb above its banks, depositing rich alluvial soil for crops. Priests measured the extent of the Nile's rise to see how high the taxes they levied could be. Too little water and the crops would wither; too much and they would be inundated; just enough and the pharaoh could raise taxes. Some of the vertical columns and marked flights of steps known as nilometers remain, testifying to one of the earliest forms of economic indicator. They did not even know the source of the river—its basin extends as far as Uganda, Burundi, and the Democratic Republic of Congo—much less the exact reason for the annual feast or famine, but they could describe and quantify the result.

Today, governments release an array of very official sounding indicators, detailing employment, industrial production, inflation, and the like. Even those indicators are often highly educated guesses based on survey information, some of it self-reported. The unemployment rate only counts those actively looking for jobs, so broad-based pessimism can drive the rate down. Ethan Gurwitz and Alex Rowell, in an article published by the Center for American Progress, noted that the Bureau of Labor Statistics has seen its budget cut by an average of USD 30 million in each of the past five years. Government statisticians complain that no private enterprise would make decisions worth a fraction of what the United States Federal Reserve does without the most precise data possible. On such unsteady foundations trillions shift and lurch.

During my first week on the job at the *Wall Street Journal*, in 1999, editors handed out baseball hats with "Dow 10000" printed on the front. The New York Stock Exchange had issued the ball caps to mark the Dow Jones Industrial Average closing above 10,000 points for the first time. After fetching coffee and photocopying for a few months, one of my first substantive tasks as a researcher was to help the chief economics correspondent with a project about economic booms. The American economy was about to reach its longest period of uninterrupted growth in history, and I was charged with delving into the library to learn about past periods of expansion.

Instead, I was riveted by the busts. Even as analysts claimed that the Internet had fundamentally altered economic laws, justifying the dizzying heights that the market had reached, I read similar statements in the stacks at the Columbia library about the miraculous effects of the advent of the railroad, the telegraph, and the radio. The louder the experts swore that the rules had changed, the sooner gravity exerted its force. A pair of authors even published a book that year called *Dow 36,000*, promising still more stratospheric gains. Not long thereafter, the dot-com bubble burst. The Dow has never reached 18,000, or even half what they predicted.

The human urge to comprehend and exert control over what the eighteenth-century economist Adam Smith called the "invisible hand" remains constant. Simon recreated the floral arrangement for the agreement in 2009 to form a regional currency for Latin and South America; an accord on intellectual property; and a tax-compliance arrangement for havens such as Switzerland. In her work, the trade and disposition of timber and diamonds are haggled over. Weapons—their sale, their control, and their prohibition, even the avoidance of sanctions to prevent countries like Iran from acquiring them—are a constant.

The price of a human life in U.S. dollars is approximated with a settlement between Libya and the United States over compensation for terrorist attacks in the 1980s and the retaliatory strikes that followed. Ownership shares of soccer players' economic rights recall indentured servitude, even if the individuals are well compensated for playing a sport. Simon even describes how the Caribbean island of St. Kitts & Nevis sold citizenship rights to investors in a Hyatt luxury hotel in 2015 at a cost of USD 596,000 for a family of four.

"The biggest triumph of the modern nation-state has been to convince large groups of people that a status conferred to them arbitrarily upon birth was, in fact, not for sale, and indeed worth defending unto the death," writes Atossa Araxia Abrahamian in her recent book, *The Cosmopolites*. She focuses much of her book on the way that citizenship in the Comoros Islands was forced on stateless people living in the Arab emirates but also examines the high-end side of the equation evident in the Hyatt deal. She cites a Bloomberg report that investor-citizens spent USD 2 billion buying passports in 2014 alone. "By marketing passports like merchandise, the citizenship business has eroded a moral veneer that, for the past hundred years or so in the West, has come part and parcel with being of a place."

Fighters for the so-called Islamic State defiantly burn their passports in YouTube videos, part of their rejection of borders drawn by Frenchmen and Englishmen a century before, along with what they see as secular laws, norms, and mores. (The Islamic State may seem absolutist and unyielding, but the group sells oil through intermediaries to its enemies.) In the

Flower farm. Naivasha, Kenya, 2008

meantime, they and their violent compatriots drive millions of people from their homes in Syria and Iraq, straining the resources of small countries like Jordan, Greece, and Slovenia along the way. The world has seen millions of refugees before, most notably after World War II and the Balkan wars of the 1990s, but the technologies at the command of refugees today, the GPS-enabled mobile phones, the ability to share routes instantly through social media, suggest an epochal change in the flows of migrants.

While refugees from Syria, Libya, and Iraq capture the most media attention, tiny Eritrea has seen the largest share of its population attempt the dangerous journey to Europe. Though, as noted in Simon's project, fifteen years have passed since Ethiopia and Eritrea reached a lasting peace agreement, they continue to wage proxy wars, providing weapons to groups in places like South Sudan that helped fuel the recent civil war there. The speed and flexibility of free enterprise is particularly evident in the midst of upheaval. As *The New York Times* East Africa correspondent, I watched displaced South Sudanese disembark from river barges to escape pitched battles, only to find that there were entrepreneurs already waiting with generators, power strips, and dozens of different phone chargers snaking in every direction. For pennies they were ready to provide enough electricity to reconnect the refugees with the outside world.

All this rapid movement leads to lengthy debates at the European Union headquarters in Brussels or at the United Nations in New York. This, in turn, results in new accords and the whir and click of cameras as wire-service photographers capture pictures of leaders posing with fresh bouquets of cut flowers that have in many cases traveled farther than the world leaders to get there.

The flowers themselves are one of the commodities that travel through the globalized trading system, a particularly fleeting good that relies on speed of transport to ensure they are just beginning to bloom as they land in the store. Holland remains the central clearinghouse for the flower trade, with some twenty million blossoms passing through the Aalsmeer Flower Auction there each year. To recreate the ceremonial bouquets, Simon imported over 4,000 plant specimens, a miniature stand-in for a vast market.

While Simon could have chosen any number of commodities to illustrate the flow of trade—coffee, sugar, diamonds, oil—the choice of flowers is hardly arbitrary. Dutch tulip bulbs serve as the textbook example for economics students of the kind of bubble that the stewards of the system try and fail to prevent. Flowers perform an essential ceremonial role at weddings and births; their remnants in burial sites from 12,000 or more years ago are considered evidence of civilization.

Though I had bought plenty of cut flowers in my lifetime, out of buckets in subway stations, from refrigerated glass cases in grocery stores, in prearranged bouquets, or in consultation with professional florists, I had given relatively little thought to the global trade that underpinned the flower market until I moved to Nairobi. One weekend I drove into the Great Rift Valley and onward to Lake Naivasha for a music festival. Kenya is famous for its natural beauty and the area around Naivasha is known for its pink flamingos. I expected to arrive and see the sun setting over an unspoiled lake. Instead, I could not see past what looked like rows of giant plastic tunnels obscuring the water's edge. They were the greenhouses of Kenya's commercial flower industry. According to the *Economist*, one of these companies alone, Longonot Farm, has forty-nine greenhouses and harvests seventy-two million rose stems a year.

Kenya provides one in three cut flowers purchased in Europe. Naivasha is home to roughly half of the country's 127 flower farms. Therefore around one in six flowers sold all across Europe—in Spain, in Bulgaria, in Finland—is grown around this single lake. (Most pass through the Aalsmeer Flower Auction.) The flower industry provides livelihoods, if meager ones, for tens of thousands of people while threatening the existence of small-hold farmers and pastoralists who have long called the region home. A Kenyan colleague who had worked there described grueling conditions for low pay. Workers have complained about health problems associated with pesticides.

According to a recent article in the *Financial Times*, "The composition of many cut flowers is as much as 95 per cent water, so every bloom exported from Kenya or elsewhere is also exporting a resource few producing countries can afford to lose." In practice, the flower industry could be seen as a reallocation of desperately needed resources from the parched South to the flower-buying North, a water-smuggling scheme with an innocent, aesthetic form of transport. The perishable blossoms travel by airplane from East Africa while people from the same region traverse deserts by truck and even by foot, board unstable boats for risky crossings of the Mediterranean, knowing full well that thousands who came before them died on the same journey.

Like those migrants, we keep trying to ride the cycles of boom and bust, of violence and peace, of destruction both creative and otherwise, to govern the ungovernable. The unacceptable alternative would be to give up. We appreciate these cut flowers so much, dying before they even arrive at the auction house, before they reach the height of bloom, because they remind us of ourselves and the fact that there can be beauty even in futility.