

# CURRENT HISTORY

GLOBAL PROGRESS REPORT, 2012

## The Danger of Decline

**A**t the start of a new year, debt woes and Arab uprisings have hung ominous clouds over the planet, including risks of another economic downturn, fracture of the European Union, and protracted instability in the Middle East. It doesn't help matters that, at the same time, much of the world thinks the United States is in decline.

Declinists point to America's dysfunctional politics, its stagnant economy, its ebbing power. They are right to worry. But a point they often miss is that much of the decline is relative or reversible.

After all, this is not a world in which others succeed only at one's own expense. Globalization remains the paramount trend, and it draws people into ever wider and more complex webs of interdependence. Thus a country that relies on international security and commerce, as the United States does, has reason to celebrate its own relative decline to the extent that it results from the rise of stable market economies.

Some in America pine for days when they could impose their will on humbler nations. As power disperses, decision making and problem solving do become more difficult, especially if some actors, such as China, resist assuming responsibility commensurate with their economic importance. There is, however, no returning to the economic and military dominance that the United States enjoyed at the end of World War II and the cold war. The world has benefited enormously from US leadership, and desperately needs it still. But leadership will have to be shared.

If America cannot dictate to others, it can still promote shared values. Even Enlightenment thinkers, who articulated the ideals of political liberty, free markets, and peace, never viewed these as exclusively Western possessions. The eighteenth century's Marquis de Condorcet looked forward to a time when the sun would shine on "an earth of none but free men, with no master save reason; for tyrants and slaves, priests and their stupid or hypocritical tools, will have disappeared."

Arabs in 2011 showed they want sunshine like everyone else. With masses bravely seeking self-determination and elites violently resisting, the Middle East for a time will be more disorderly and dangerous. But the future holds more promise as a result. Why would Arabs risk death to demand democracy at a time when the United States seems barely able to govern itself, when the EU risks breaking up, when publics in Latin America and Africa scorn their elected governments? Because the yearning for dignity and freedom springs from human nature—and patience with autocrats is running out. It will run out one day, too, in Tehran, Riyadh, Moscow, and Beijing.

Many worry because Islamists have seized political advantage from the Arab Spring. This has happened, however, mainly because regimes that suppressed opposition for decades left mosques as the only outlets for organized dissent. Popular sovereignty constitutes an essential

impulse behind the uprisings, and people must advance via trial and error. As liberal norms take root, Islamists who stand for reelection will have to choose between pragmatism and defeat. Secularization eventually should follow.

Today, amid the tumult and tragedy, it seems evident that respect for self-government, economic innovation, and collective security is growing across the world, along with distaste for violence and fanaticism. Progress depends, however, on the continuous banishment of ignorance. And globalization accentuates the consequences of skill gaps.

The United States, if it is to remain a global exemplar, must fix its politics, renew growth, and restore fiscal order—but underlying all these challenges is an urgent need for educational improvements. Americans are falling behind in science and math; poor schooling for poor children belies the dream of equal opportunity. In the United States as everywhere, learning provides the greatest bulwark against decline. A.S.

## ECONOMY

### Silence in the valley

In normal times, advanced economies can be expected to march at a lively pace, generating growth and prosperity, until at some point they succumb to the pressures of the business cycle and retreat for a quarter or two. These retreats occasion considerable heartache—but they are brief. After the tears are dry, economies resume their orderly advances.

These economic times are not normal and threaten to get less normal yet.

In 2008 the collapse of the investment bank Lehman Brothers revealed that the preceding years' prosperity in affluent countries had been illusory, based on fanciful asset prices and magical lending practices. Suddenly, ordinary people found themselves cowering beneath massive overhangs of other people's debt.

Thanks to the coordinated efforts of nations, the precarious ice mainly stayed in place and the gods of the mountain maintained their frozen perches, though the people of the valley were pelted with debris. Today, the world once again huddles under vast creaking icepacks of debt. These potential avalanches stretch from the Balkans to the Pyrenees and beyond.

For this we may thank many wise individuals. We may thank the arithmetic wizards of Athens who, two and a half millennia after Pythagoras, devised novel approaches to rudimentary ciphering; the pallid bureaucrats of Brussels, who thought monetary without fiscal union a very fine thing for the European Union, pretending

that northerners' clockwork approach to fiscal issues could easily be reconciled with the southern view of budgets as enchanted boxes from which miracles can be expected to issue; Germany's Angela Merkel and France's Nicolas Sarkozy, to whom the road ahead seems an endless depository for well-kicked cans; and international bankers, who now assume their favorite posture in times of crisis, that of presenting to the public one hand in trembling supplication while brandishing in the other the hatchet of collective calamity.

Admittedly, things seem bleak today partly because 2011 delivered to the world economy unanticipated shocks like Japan's triple disaster and the Arab Spring's disruptions to petroleum prices. Still, the International Monetary Fund reports in its most recent *World Economic Outlook* that today's dismal economic prospects in the rich countries spring mostly from feeble recoveries and fiscal and financial uncertainty, not from exogenous bad luck. Governments are retrenching; private demand is failing to compensate. Bad sovereign debt is affecting banks' ability to gain financing. The IMF thus forecasts that in 2012 rich-world GDP growth will amount to 1.9 percent—a distressing figure after the blood of 2008 and the bloodless recovery since.

In the emerging and developing world things are brighter. There, the IMF predicts 2012 GDP growth of 6.1 percent—very solid—with China

recording 9 percent and India marked down for 7.5. Sub-Saharan Africa, so often the uncomfortable afterthought in discussions of world economies, is projected to keep up its run of decent performances with GDP growth of 5.8 percent.

But even in the fast-growing economies of the developing world, trouble lurks. China has made little progress in rebalancing its economic structure toward private consumption. Beijing must worry about inflation on the one hand, flagging exports on the other; bad debts over here and overheated housing over there. Little wonder that

China has told Europe in so many words not to expect a rescue from the east.

Meanwhile, in the world's largest economy, the housing sector remains sick and the public sector useless. Far too many workers sink into the pit of depression and obsolescence otherwise known as long-term unemployment. Few remedies for this are advanced by people in positions of power. They do not entirely seem to care.

As 2011 becomes 2012, things look more perilous than at any time since the death of Lehman. Gather your loved ones. Look out above. L.C.

## POLITICS

### The blind leading

Tomorrow is a certainty, but it does not seem that way to everyone. Small children find tomorrow an unmanageable abstraction. To test this, offer a child a lollipop today or two lollipops tomorrow. It is a great way to save yourself a lollipop.

Similarly, if you task a democratic politician with solving a severe problem today, he is likely to convert it into a worse problem tomorrow. Children can be forgiven for acting childish. Grown-ups cannot.

Blindness to the future is rampant today across the wealthy, democratic nations of the world. In Europe, Merkel and Sarkozy will do whatever it takes to save the euro, for about a week at a time. The weeks have now added up to a couple of long years. The German and French leaders continue urging drastic austerity on nations where conditions are austere already, hectoring them to sabotage their own economic growth so that, in some distant fairy land, unpayable obligations can be paid. Merkel and Sarkozy meanwhile coddle their own publics, pretending to the burghers of Bavaria and the bourgeoisie of Brittany that distant debts will not in the end be made good from local wallets.

Bankers too have been coddled, as if monetary losses were unconscionable things to ask of people whose excellent standards of living proceed from lending money at, theoretically, risk. In Merkel and Sarkozy's world, the banks are to be made whole, with northern taxpayers subsidizing nothing, because southern nations through the application of good sense and moral fiber will generate cash they do not have. Oh, and forget those eurobonds. There is no such thing as eurobonds. Instead, there is a December agreement among all

EU nations except Britain to impose tighter oversight on governments' spending. This seems likely to avert future debt problems in a euro zone that may not survive its past profligacy.

Japan's sovereign debt dwarfs that of Greece and all the other European debtor nations. But at least the Japanese debt is mostly owed to Japanese people, who kindly continue trusting their savings to a government most notable for fecklessness and confusion. No ideas seem on offer in Japan that would fix the country's fiscal problems. Nor that would address the demographic trends threatening to deposit Japan into a hole from which it cannot climb out. Increased immigration and an end to patronage politics might do much to rouse Japan from its malaise. Just do not mention these things to Japanese politicians.

Washington remains gridlocked (mostly) because a once-grand party refuses to contemplate raising taxes for any reason, such as the federal government's lack of money. Republicans adopt this stance because they are extremely concerned about the growing power of government, as many of them have been since *Brown v. Board of Education*. But Republicans are not solely to blame. Most politicians on both sides of the aisle believe that America cannot be safe from its "enemies" unless the country's military expenditures roughly equal those of the rest of the world combined. Earlier generations of politicians share culpability too—the cowardly, striving vote-grubbers of the past found it expedient to endow mammoth debts on the cowardly, striving vote-grubbers of today. Meanwhile, though the American economy so obviously exhibits a need for further stimulus, *stimulus* has become a filthy word.

All this is normal, about what you would expect. But it is not what is required. In these parlous times, roomfuls of somber individuals should ponder hard questions, suppress personal interests, discuss and debate, and in the end arrive at compromises that satisfy no one but do at least confront tomorrow's problems today.

This is not to say that authoritarianism is better. It is far worse. Even at its most effective, authoritarianism combines with the greed, stupidity, and selfishness of democratic politics a corrosive unaccountability. Democratic governance remains the only hope we have and a stunning achievement of history. But at times like these, oh how tiresome it grows. L.C.

**SECURITY**

**More stable and decent**

The decline of warfare and the diffusion of power are the most important trends in global security today. Even as observers fret over the possibility of a spreading economic crisis, virtually no one predicts a return to the 1930s, when protectionist and nationalist pressures helped unleash war among great powers. Conflicts and skirmishes persist, especially in Africa. Humanitarian inter-

ventions, such as NATO's successful provision of aid to Libyan rebels in 2011, occur when they are feasible. In general, though, armed violence is diminishing. And when it does occur, it increasingly reflects the weakness rather than the strength of states.

Following on the American withdrawal from Iraq, the coming year will see reduced US troop

***How Is the World Doing?***

*Current History's report card on global trends at the start of 2012.*

**C-**

**Economy**

The future of the euro zone remains uncertain, and Washington for now seems incapable of spurring growth and restoring fiscal order. Even as developing economies expand briskly, the rich nations' heavy debts and lagging demand limit global prospects.

**B**

**Politics**

The courage of Syrians and others reminds us that longing for liberty is universal. Moscow's protests suggest no authoritarian can feel secure. Unfortunately, mature democracies these days exemplify sound governance less than protracted malaise.

**B+**

**Security**

Warfare increasingly reflects not statecraft but state failure. US interventions in Iraq and Afghanistan are winding down. Revolts will make the Middle East less stable for a while. But global security can survive Islamist fanatics, a nuclear Iran, and a rising China.

**D**

**Resources**

As the human condition improves, the conditions that enable such improvement deteriorate. The cost of extracting key resources is growing. Paltry efforts to address climate change expose an inadequate capacity to act collectively for posterity's sake.

**B**

**Science**

Globalization is making evident to everyone the importance of research and innovation for economic success. Emerging economies are rapidly building academic facilities, investing in R&D, and producing more scientific publications and patent applications.

levels in Afghanistan. (It is hard to see how outright military victory against the Taliban is possible as long as Pakistan offers havens for the insurgents, or as long as the government in Kabul remains corrupt and detached from most Afghans.) President Barack Obama, while taking out the world's top terrorists, also has made clear that the security policies of his predecessor, George W. Bush, represented a temporary deviation from US support for the global spread of norms against torture and military adventurism.

Diplomacy and sanctions, meanwhile, constitute the main tools for discouraging nuclear proliferation and for dealing with rogue states, such as North Korea, that acquire weapons capability. International efforts to block Tehran's nuclear ambitions will continue, as will planning for containment when Iran does gain the bomb. (A military strike, as advocated in some quarters, would prove disastrous.) Pakistan's possession of nuclear arms appears increasingly hazardous—but again because the state is weak, not because it is strong.

Washington and some East Asian nations have begun pushing back against China's recent asser-

tiveness in Asia. Regional economic integration continues, however, and Beijing benefits as much as anyone from an international order conducive to peaceable commerce. Ideologues who believe China and America are destined for armed conflict overlook Beijing's commitment to avoid the errors of Imperial Japan.

Security in the twenty-first century, in sum, requires collective effort to render an increasingly networked and multipolar world more stable and decent. In an August 2011 essay, Boston University's Andrew Bacevich summarized a few of the most pressing tasks in this regard. Among them: "negotiating boundaries—constraints, for example, on the use of force—that will limit great power prerogatives;" establishing norms to govern competition for resources; reducing arms and curtailing the global weapons trade; and focusing diplomatic efforts on trouble spots (such as Kashmir and the Palestinian territories) where armed conflict seems a threat. Continuous crisis management and dwelling on the balance of power hold far less strategic promise. A.S.

## RESOURCES

### Sins of the fathers

People who follow world events closely devote most of their attention to three big issues: how we are governed, how prosperous we are, and how safe we are. But in coming decades these three issues may be challenged in importance by a different set of questions.

How long can our planet continue to produce the natural resources that we need to survive and thrive? As key resources become depleted or more costly to secure, can substitutes be identified? Will segments of our natural environment become so toxic as to be virtually useless? Will we so radically alter the earth's atmosphere that human existence becomes problematic?

In a way, these questions recall the state of human consciousness during the millennia before civilization was invented. Then, our attention was monopolized by weather, water, food, and personal safety. Modernity and increasing prosperity were supposed to deliver us from these tyrannical concerns, but today we can imagine a future in which weather, water, food, and personal safety again monopolize our attention.

History establishes for humankind an impressive capacity to learn from mistakes and to innovate. This is as true in the environmental realm as in any other. Advanced countries no longer clear-cut their forests so enthusiastically. New factories use energy more efficiently than old ones. But such advances in attitude and technology are not achieved according to a schedule. We can encourage but not force them.

Meanwhile, the global population grows and grows. Industrialization spreads ever wider. Newly middle-class people the world over care more about purchasing cars and providing protein-rich diets to their children than about intensified drought on poorer continents or the disappearance under seawater of far-flung atolls.

The human condition improves, even as we witness a deterioration in the conditions that enable such improvement. And what is done in response? Too little. A late-year climate conference in Durban began in an atmosphere of pitifully low expectations, and met them. The International Energy Agency warned in November that the world must implement a carbon emissions treaty

by 2017 or face intolerable temperature increases. That warning provoked no general urgency.

Civilization's key genius is that it allows each generation's ingenuity and accomplishments to accrue to the next generation. But the deleterious effects of our actions accumulate along with

the accomplishments. Humankind's technological mastery is so powerful today—literally, world-altering—that we are called on to contain our own power through measures that benefit only posterity. Is our capacity for self-abnegation big enough for the task?  
L.C.

## SCIENCE

### Ways of knowing

Judging by political news from the United States, one might think science is imperiled. Rick Perry, the Texas governor seeking the GOP's presidential nomination, deems creationism and evolution equally credible. In 2011 he mocked the notion that the world should take climate change seriously "just because you have a group of scientists who stood up and said here is the fact."

Such remarks prompted Princeton's Robert Socolow to lament in the *Bulletin of the Atomic Scientists*: "Distortions abound regarding both what science understands and how science is conducted. Of even greater concern, however, is the rejection of the scientific way of knowing—or rather its relegation to the status of just one of many equally valid ways of knowing. If the scientific method loses its place as a privileged way of knowing, the consequences will be devastating."

The consequences could include increased sway for superstition. Religious fervor provoked centuries of bloody warfare in Europe; it inspires Islamist extremists today. More insidiously, it

impairs democratic decision making. As the psychologist Steven Pinker (who has contributed an essay to this issue) has observed, "the elevation of parochial values to the realm of the sacred is a license to dismiss other people's interests, and an imperative to reject the possibility of compromise."

Fortunately, global trends suggest no unseating of scientific authority. The globalization of research and development continues, even as hard times constrain budgets in Western nations. Emerging economies are building new academic facilities and programs. More countries are producing patent applications and scientific publications. China has achieved double-digit annual growth rates in R&D investments. If support for science and innovation were to falter in the United States, other nations would pick up the slack.

And in most domains, the authority of evidence grows stronger. Perry himself sabotaged his presidential prospects by empirically demonstrating his unfitness for the office.  
A.S. ■