The Crumbling of the Pax Americana

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[This is the first of three lectures on the United States’ global role in the 21st century. The second will address American floundering in the new world disorder. The third will speak to the need for unprecedented agility in American diplomacy.]

In 1941, as the United States sat out the wars then raging in both the Atlantic and Pacific, Henry Luce penned a famous attack on isolationism in Life Magazine. “We Americans are unhappy,” he began. “We are not happy about America. We are not happy about ourselves in relation to America. We are nervous – or gloomy – or apathetic.” Luce argued that the destiny of the United States demanded that “the most powerful and vital nation in the world” step up to the international stage and assume the position of global leader. “The 20th Century must be to a significant degree an American Century,” he declared.

And so it proved to be, as America led the world to victory over fascism, created a new world order mimicking the rule of law and parliamentary institutions internationally, altered the human condition with a dazzling array of new technologies, fostered global opening and reform, contained and outlasted communism, and saw the apparent triumph of democratic ideals over their alternatives. But that 20th Century came to an end in 1989 with the fall of the Berlin Wall, the end of the Cold War, and the emergence of the United States as a great power without a peer.

As the Soviet Union collapsed, we Americans celebrated our unrivaled military power and unilaterally proclaimed ourselves “the indispensable nation.” But we failed to define a coherent vision of a post Cold War order or an inspiring role for the United States within it. These essential tasks were deferred to the 21st Century, which finally began in late 2001, with the shock and awe of 9/11. In the panic and rage of that moment, we finally made choices about our
world role. These choices were intended to affirm our power but have instead defined a new era in which – our complacently exceptionalist self-image notwithstanding – the United States is ironically ever less geopolitically dominant, less internationally competitive, less emblematic of equality of opportunity, less faithful to the core values of our republic, and less looked up to for leadership by foreigners.

Today Americans no longer call the shots in the Middle East, where Arabs, Israelis, and Turks now refuse to take direction from us, Iranians remain estranged, and Russians are again active adversaries. When we attempt to block China from creating new international financial institutions like the Asian Infrastructure Investment Bank, our allies, partners, and client states ignore us and join with the Chinese. Our global standing has been diminished not just by the rise of others and the estrangement of allies but by structural changes in our economy and ongoing disinvestment in education and research. We are becoming less competitive. Social mobility in America now compares unfavorably with that in other industrialized democracies. (We have acquired a permanent, mostly African-American urban proletariat. Counting those who have dropped out of the labor force as well as those still looking for work and thus officially unemployed, almost 103 million Americans of working age are currently without jobs.)

Meanwhile, we are defending our freedoms by curtailing them. We ignore the separation of powers that is the foundation of our constitutional order. We have suspended much of our bill of rights. We are so accustomed to a perpetual state of war that our Congress no longer bothers to exercise its constitutional authority to authorize military interventions abroad, but leaves these to presidential discretion. We have unraveled much of the fabric of international law we wove with such effort in the last century. Our panicky reactions to the activities of terrorists abroad are increasing the risk of terrorism at home, both homegrown and imported. The military power of the United States is universally acknowledged, but our moral authority, our reputation for considering the interests and listening to the counsel of allies, partners, and friends, and our luster as a just society with aspirations to continuing self-improvement have all taken hits.

Post-constitutional America is adrift. No one knows what we stand for these days. Americans are understandably unhappy about this. Many are in denial. Few are at ease with the state of our
country. As the tawdriness of our current political contests evidences, we are angry, or gloomy, or simply confused. We blame everyone but ourselves for our disquiet.

It is in this context that I want to speak with you about the weakening of American power and influence in the world, its causes, its consequences, and what must be done to cure it. What accounts for our inability to end our wars or achieve the foreign policy goals we set? Why is it that when we run up the flag ever fewer allies, partners, and friends salute? How is it that our statecraft has so obviously atrophied? I will be as brief as possible.

Power is the capacity to make others do what they otherwise would not. Diplomatic power employs measures short of war to persuade others that it is in their interest to do things our way rather than the way they originally preferred. But diplomacy demands a measure of guile, and it takes time. Americans have come to prefer the shock and awe of war and the instant, if ephemeral, gratifications of bombing and strafing to the protracted, often boring nonviolence of diplomatic intercourse.

Perhaps this is because our military power is so much greater than that of any other nation or coalition of nations that we are always confident we will prevail on the battlefield. Perhaps it is because, until recently, no foreign society the United States has attacked has retaliated against us in our homeland, making attacks on foreign countries and peoples seem risk-free. Perhaps it is a consequence of the U.S. preference for governance by elected and appointed officials uncontaminated by experience in statecraft and diplomacy or knowledge of geography, history, and foreign affairs.

Our politicians tell us that our problems reflect a failure of the will. But no one abroad doubts the will or ability of the U.S. armed forces to overwhelm any enemy foolish enough to mount a direct military challenge to America. No one outside our country considers the United States insufficiently combative. On the contrary, foreigners have come to expect Americans to bluster belligerently and to bully, bomb, or zap recalcitrant adversaries. Da’esh – the so-called “Islamic State” or “caliphate” – is skillfully exploiting American bellicosity to incite normal Muslims to join it in counterattacking what it portrays as a deepening American-led “Crusade” that features
the wanton killing of anyone professing Islam.

American obduracy on the battlefields of Iraq and Afghanistan and our willingness to reinforce failure with troop surges have removed past doubts among allies about U.S. resolve and staying power. But they have also won the United States a reputation for a fatal attraction to “mission creep” and for not knowing when to cut its losses and quit. Many abroad, including our closest allies, have come to doubt America’s capacity to shape events intelligently through both war and measures short of it.

After all, the last time the United States both won a war and produced a better peace was in 1945, seventy-one years ago. In the 1950s, we held on but did not prevail in Korea. In the 1960s and ‘70s, we were humiliated in Vietnam. In 1991, we aced the military contest in the war to liberate Kuwait but flunked the diplomatic test of translating victory into regional peace and stability. We have just lost Round Two in Iraq. We are clearly headed for defeat in whatever round we are currently struggling through in Afghanistan.

Far from proving our military omnipotence, these interventions have underscored its limitations. The U.S. armed forces are indeed the world’s mightiest. But, while our military power can remove regimes, we have demonstrated that it cannot replace them, or subdue populist nationalism, or prevent determined enemies from retaliating against our homeland or the homelands of our allies. Our expanding struggle with extremists in the Muslim world is now showing that, if unguided and unaccompanied by diplomacy, violent coercion is more likely to aggravate and enlarge conflict than to circumscribe it.

Our ability to enlist or bend others to the causes we espouse has clearly weakened. Our options for dealing with the challenges we face are now more limited than they ought to be. None of this should be a surprise. There are many reasons for it.

To begin with, America now suffers from what might best be called fiscal anorexia. People with anorexia imagine they are overly robust. To reduce their fancied bulk, they reduce their intake of nourishment. This emaciates and weakens them. Anorexia is a narcissistic syndrome that
reduces the ability of those who suffer from it to cope with everyday life, let alone more demanding challenges. Like anorexics, Americans have a neurotically distorted image of ourselves. We imagine that we are over-governed and over-taxed.

We have decided to cure our imagined bloat by cutting non-military spending, starving our government down to size. But the ratio of civilian federal government employees to population has fallen from one for every 80 citizens under Ronald Reagan to one for every 117 under Barack Obama. Public service is very modestly compensated in the United States. Salaries for the most senior officials are a mere fraction of what private sector executives with comparable management responsibilities are paid. And 29 of 34 OECD member countries have higher tax burdens than the United States. The average tax rate in the world’s advanced capitalist countries is 36 percent. In the United States, federal, state, and local taxes take just 27 percent. In the OECD, only the Turks, Mexicans, and Chileans have lower taxes than Americans.

Most Americans are nonetheless convinced that the civilian side of government in the United States is too big. Americans are against big government unless it is in uniform. Non-Americans marvel at this perception and our willingness to tolerate the deterioration of government services that shriveled funding produces even as we borrow money to bulk up our military. We treat the defense budget as a jobs program or an end in itself. It has never been audited. The only fiscal policy the United States now has is military Keynesianism.

This skewed approach to resource allocation is the reason that American physical and human infrastructure is no longer internationally competitive. It is also why American foreign policy is so militarily muscular and diplomatically puny. We spend more on our armed forces than the next eight or ten great powers combined. It is said that there are more men and women in U.S. military bands than in our diplomatic service. And the bands have undergone extensive training to do what they do with superb skill. The “diplomats” have not.

America’s diplomacy is under-resourced and under-skilled. It is led by amateurs, many of whom have bought their way into government. They are unfamiliar with government operations. They have no experience in conducting the nation’s business abroad and no interest in building its
long-term competence at diplomacy. They are at least as focused on the prospects for profitable exit from their government jobs through the “revolving door” as they are on actually doing those jobs.

Our political appointees to ambassadorships and senior foreign policy positions are in the main hopelessly outclassed by their experienced, professional, foreign counterparts. Our career diplomats are nowhere near as well-trained as their military or foreign colleagues. Other than intelligence agencies like the CIA, no civilian department has anything like the massive funding, patronage power, or ability to dispense largesse that our defense department does. The views of our foreign policy elite are shaped by think tanks and academic institutions funded and staffed from the defense and intelligence communities, not diplomatic professionals.

This necessarily skews Washington’s policies toward military and other coercive means of influencing foreign nations. It also results in the U.S. armed forces being asked to do things that other countries expect their diplomats or development specialists to do. These tasks are not part of the military skill set. Our armed forces have the money but not the training to do them, so they rely on a huge, mostly ex-military, cost-plus contract force of dubious competence to address them. This quite predictably results in prodigious waste, fraud, and mismanagement. Quite aside from the tens of billions of dollars that have gone missing in Afghanistan and Iraq, the peace-building tasks that are central to consolidating the results of the wars we have fought do not get done. The demonstrated incompetence of our government in foreign affairs has become a serious national and international problem, given the rise of other great powers and our country’s narrowing margin for error.

Those who cannot live by their wallets or their brawn must live by their wits. Americans could clearly afford less threadbare, more professional and competent institutions to make and implement both domestic and foreign policy. We have decided we won’t pay the taxes needed to field such government. That means that we need to think our way out of danger. But fiscal anorexia and brain-dead politics preclude this. This, effectively, leaves us to live by military brawn alone. That is proving not just inadequate but grossly counterproductive.
Militarism is the glorification of the armed forces as the embodiment of a nation’s virtues, assignment of priority to military interests over those of others, and an habitual inclination to use force rather than measures short of war to address foreign challenges to national interests. Joined to the uniquely American impulse to redeem the world by democratizing it, this translates into armed evangelism. Civic culture in America speaks of democratic peace but celebrates the cult of the warrior at all significant public events.

Militarism with American characteristics seeks maximum funding for the armed forces and military industrial projects regardless of other demands on the federal budget and even when there is no tax revenue to pay for them. It sponsors aggressive intervention to overthrow other peoples’ governments and reorder the world to the liking of homegrown ideologues and academic theorists. It sets U.S. military dominance of other regions and the global commons as the supreme objective of American foreign policy.

Our use of this approach to foreign affairs in the post-Cold War era has caused the United States to have worse relations with each of our great power rivals than any of them has with any other. Our allies are not against us, but even they are often no longer with us. Militarism has become a potent threat not just to America’s aspirations to global leadership but to its national security, well-being, and domestic tranquility.

In this century, applied to West Asia and North Africa, militaristic – that is to say, diplomacy-free – foreign policy has already added more than $2 trillion to the U.S. national debt, and unfunded liabilities from these misadventures will add another $4 trillion in the decades to come. The United States has lost two major wars while sacrificing the lives of almost 7,000 of our military professionals and permanently maiming at least another 50,000. Almost one million have claimed war-related disabilities.

U.S. interventions and other coercive measures – like sanctions, drone warfare, support of Israel’s and now Saudi Arabia’s brutal efforts to terrify their neighbors, and the knock-on effects
of these actions, including the sectarian warfare they have initiated – have meanwhile killed as many as two million Muslims in other lands. One does not need an elaborate review of the history of European Christian and Jewish colonialism in the Middle East or American collusion with both to understand the sources of Arab rage or the zeal of some Muslims for revenge. In the Middle East, the United States is now locked in a death-filled dance with fanatic enemies, ungrateful client states, alienated allies, and resurgent adversaries. Terrorists are over here because we are over there.

In Europe too, the American attempt to build a post-Cold War order purely on NATO’s military foundations has backfired on hopes for stability and peace. The failure to contrive politico-economic processes to end historic antagonisms between Europe, Russia, and Turkey has made it all too easy for Russia to revert to type and Turkey to drift away from the West. Instead of seeking to build a new concert of Europe, the United States thoughtlessly encouraged the continuing treatment of Russia as a defense problem and abetted the rebuff of Muslim Turkey by European Christendom.

Moscow first imagined the worst. It then acted in ways that fulfilled its paranoia by provoking the United States and others. For its part, Turkey abandoned its centuries-old effort to adopt a European identity and sought renewed association with the Muslim societies of West Asia and North Africa, downgrading its previous role as NATO gatekeeper for the Middle East. It did so just in time for U.S. invasions and drone attacks in the region to catalyze state collapse and sectarian warfare from Afghanistan to Syria and the Sahel. Invigorated by the spread of civil strife, Islamist terrorism with global reach has incorporated itself as a so-called “caliphate” spanning Iraq and Syria, with a proliferation of outposts in other states subjected to U.S. or NATO intervention. Europe now faces destabilization by an avalanche of refugees fleeing the wars and anarchy that U.S. invasions and covert actions helped ignite.

The alienated, European-born Muslim extremists who perpetrated the November 13 attack in Paris justified it as reprisal for French and other Western intervention against their co-religionists
in the Middle East. As they hoped it would, their terrorism unnerved the West and provoked a panicked, paranoid response. The “caliphate” and its fellow travelers have today’s Americans and Europeans pegged. We prefer dramatic media-fostered narratives to uninspiring facts. That means we can be played.

Since 9/11, over 400,000 Americans – almost 27,000 per year or 73 each day – have died by gunfire in the United States. From 9/11 to date, a total of 45 – or about 3 per year – have been killed by jihadists. The December 2 mass shooting in San Bernardino – the 353rd officially tabulated domestic U.S. gun massacre since 9/11 – was the first in 2015 to involve a Muslim immigrant couple rather than the “normal” disgruntled white male perpetrator acting on his own. And yet San Bernardino did not lead to demands to control sales of weapons to psychopaths, criminals, or gun nuts. Instead, it galvanized Islamophobic demagoguery focused on shutting down Muslim immigration. It also led, quite predictably, to rising pressure for escalated military intervention in the Levant. That’s precisely what the extremist “caliphate” wants. Its success in evoking this response from Americans has global implications.

Calls for a U.S. military “pivot” to Europe and “boots on the ground” in the Middle East imply a detour from yet another primarily military approach to shifting strategic circumstances, the so-called “rebalance” to Asia. This is intended to preclude the loss of post-World War II U.S. naval hegemony in the Western Pacific. But even if the resources were there to do this (which they are not), China’s return to wealth and power is an ineluctable reality that must somehow be accommodated by its neighbors as well as balanced by them and the United States.

The emergence of the Indo-Pacific as the global center of economic gravity clearly justifies greater policy attention to the region. But economic challenges require primarily economic, not military or even political, responses. China’s centrality in its region’s economy and its global economic weight cannot be neutralized by additional military deployments or by the belated export of U.S. legal and financial norms envisaged by the Trans-Pacific Partnership (TPP). Military challenges to China’s rise inevitably evoke Chinese military responses. They do not
halt China’s accretion of power. They simply focus the Chinese state on building military capabilities that can counter the threats it perceives from the United States. It stimulates China to flank those threats by using its growing economic prowess to gain leverage in places previously dominated by the United States.

American global and regional interests demand cooperation with other countries, including China, to address common challenges ranging from climate change to nuclear non-proliferation to international respect for the rule of law. Military rivalry does not foster attitudes conducive to cooperation.

But even if the United States can gain China’s support for our objectives, we cannot retain a leading position in either the Indo-Pacific or on the global stage without addressing flaws in our country’s current socioeconomic system. The problems we have developed are complex. They include our contracting domestic labor market, the widening gap between our rich and poor, and the deterioration of social mobility in our society. We need a peaceful international environment for domestic reconstruction. It will demand introspection and processes of domestic reform that are even more politically difficult than those that China and, to a lesser extent, India are now carrying out.

Getting America’s act together will require repairing and reversing the damage to our human and physical infrastructure that decades of neglect and disinvestment have wrought. Diverting more capital to the U.S. military-industrial complex, as virtually all our politicians demand, will not offset that damage so much as compound it. The ultimate foundation of American global influence is not our ability to bomb or assassinate foreigners. It is our capacity to enrich them and ourselves through trade and investment. It is our potential to inspire them by our example to want to emulate and cooperate with us, not shun or injure us. We are strongest abroad when we are most just and prosperous at home.

Since 1875 or so, the United States has had the largest economy on the planet. We are about to
lose that status. How much power to shape world events we retain will depend on how well we reinvigorate our economy and society by drawing upon the astonishing natural and human bounty that geography and history have bestowed on us. It will also depend on the extent to which we exemplify the values we have long professed. Adding to our already enormous military capabilities at the expense of other priorities will not help us rebuild our ebbing influence.

Almost 40 percent of the U.S. industrial base already depends in whole or in part on funding from the defense department and related military spending in other parts of the federal budget. High levels of government spending on “defense” and the dollar’s status as the global currency as well as our own have masked the hollowing out of the U.S. economy by deindustrialization and outsourcing. The “Fed” has printed all the money Americans have needed to sustain high consumption despite a low savings rate and the inability to set national priorities.

The growth of the U.S. financial sector inflates the apparent size and role of the U.S. economy in global terms. Financial operations (not counting insurance) now account for over 9 percent of GDP, up from 3 percent a couple of decades ago. Financial engineering – as opposed to the real kind – is where the rake-offs are, so it is what the best, brightest, and greediest young Americans now want to do. The IMF estimates that such parasitic over-financialization now siphons off 2 percent of annual growth in GDP in the United States.

In terms of competitiveness and national resilience this is not reassuring. De-dollarization of the global economy is slowly gathering speed. When the monetary tide goes out, Americans are likely to be revealed to have been swimming naked.

China’s manufacturing output is already one-and-a-half times America’s, which stands at less than 12 percent of our GDP. This is a more relevant indicator of competitiveness in international affairs than the fact that the United States devotes about 20 percent of our GDP to health care. Ours is a system designed to ensure the profits of pharmaceutical oligopolies and huge insurance
companies rather than to maximize the efficiency with which it delivers medical care. (Other advanced capitalist societies spend about half what Americans do on health care but secure considerably better results.) The World Health Organization (WHO) rates health care in the United States as the world’s 37th best, just below that of Costa Rica and above Slovenia. (France is number one. Myanmar brings up the rear at number 190.)

As the health sector quintessentially illustrates, the American economy is increasingly dominated by rent-seeking and rate-setting monopolies, monopsonies, and oligopolies. Their managers are a donor class before whom our politicians shamelessly abase themselves. The legions of lobbyists these private sector bureaucracies employ ensure that U.S. laws, taxes, regulations, and administrative practices protect their profits and make it as difficult as possible for new market entrants to challenge them.

For the most part, our corporate conglomerates now grow not by creating new businesses but through mergers and acquisitions. They collectivize retail and services businesses by replacing them with franchises, reducing independent operators to a status like that of contractors or employees with no benefits. The ability of giant corporate bureaucracies to produce and procure goods and services anywhere in the world enables them to crush competition from small and medium-sized domestic enterprises. Their size enables them to dictate the price of most of the goods and services they purchase and remarket.

With profits essentially assured, they have no greater incentive than public utilities to invest in productivity or improved services. And, for the most part, they don’t. Stock buy-backs rather than investment have become the norm for large corporations. Like U.S. government spending on research and development, corporate spending on it is falling.

As a result, the United States is gradually yielding leadership in global innovation to others in a widening range of arenas. We are now number four in numbers of patents issued, behind south Korea, Japan, and China. Last year, Bloomberg ranked American workers 33rd internationally
in technical competence. We are now 19th in the proportion of research personnel to others and 11th in the percentage of GDP we devote to R&D. We have fallen to 10th place in innovation in manufacturing.

Community banks were once a reliable source of capital for new enterprises throughout America. They have been displaced by banks that are both too big to fail and too big to bother with startups and small businesses. Entrepreneurs seeking capital must now look to financial engineers associated with venture capital groups and private equity funds. These “masters of the universe” lend sparingly while snatching equity for the plutocrats and fund managers whose money they manage. The result is a business culture in which, rather than seeking to grow the businesses they have created, entrepreneurs now seek an early, profitable exit from them. Not surprisingly, small and medium-sized enterprises are no longer creating desirable jobs in the United States at the rate they once did.

Meanwhile, the concentration of capital and business activity in the hands of corporate oligopolies ensures that all malls look alike, with a big-box store or two, lots of nationally franchised shops and restaurants, and only a few locally owned independent businesses. A parallel process is at work online. Merchants who sell on the internet are increasingly subsumed in the marketing systems of comprehensive online vendors like Amazon.com.

This is an economic structure that invites corporate behemoths to collect rents and set rates at will, with little if any countervailing pressure from their employees, shareholders, or customers. Management-level corporate bureaucrats are free to maximize their own compensation while minimizing pay and benefits to lower level hires. As a result, real incomes have flatlined for ordinary Americans but the United States has the highest ratio of CEO to employee compensation in the world – and in human history.

All this means that, in today’s America, for the most part, those who have lots of money can be confident they will get more. Those who don’t have money won’t. This is a devastating
reproach to the promise of equality of opportunity that was for so long the hallmark of America. A tax structure that allocates funds for education in proportion to local property values rather than need ensures that those whose parents are poor are not taught the skills they must have to escape poverty. Fractured government at the local level creates redundant and overlapping jurisdictions that over-regulate economic activity. Ever more elaborate and comprehensive local licensing procedures, building codes, zoning, work rules set by guilds like teachers’ unions, and environmental safeguards protect vested interests by impeding innovation and the adoption of more efficient ways of delivering basic goods and services to the public.

How much agility and resilience these structural changes in the American socioeconomic system and instances of regulatory sclerosis have cost the U.S. economy is something only time will tell. There can be no doubt that the United States is now performing well below its potential. Yet Americans continue smugly to assume that we remain at the forefront of science, technology, and industry and have little if anything to learn from foreigners. This complacency, the economic rise of other great powers, and the entrenchment of dysfunctional government in Washington are major reasons for the ebb in U.S. global competitiveness and prestige.

As an American brought up to believe that my country was or should be “number one” in all things, it is a shock to discover that the United States is now 17th internationally in per capita GDP, 17th in productivity growth, and 17th in the speed with which a sick person can expect to gain treatment for illness. Americans are 10th on the human development index, which measures the overall quality of life in a given society, and 40th in life expectancy, just below Cubans. It is no consolation to learn that we have become number one in both our obesity rate and the number of our prisoners per capita. (With roughly one-fourth the population, the United States has a prison population one-third larger than China’s.) Nor do the educational attainments of the next American generation inspire confidence. Young Americans are dead last among OECD member nations in numeracy and at their mediocre median in scientific knowledge and literacy.

It would appear that, notwithstanding our propensity for gazing admiringly at the many elements
of our imagined superiority to others, we Americans have an urgent need to get our domestic act together. Part of this surely involves learning from foreign best practices. A little humility would go a long way.

A country that can no longer conduct a civil dialogue, agree about domestic priorities or adjust revenue and spending to achieve them, ratify a treaty, or develop coherent foreign policy objectives and strategies to attain them has no business pretending it is entitled to lead internationally or can do so. Repairing the causes of our domestic political and economic distress is necessary to reaffirm our purposes as a nation: to “establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.” Returning to the pursuit of these benefits for ourselves rather than attempting to confer them on others – whether they want us to do so or not – would go a long way toward fixing what’s wrong with us as well as reestablishing American international prestige and influence.

There is absolutely nothing wrong with America that American decisions to face up to our problems and adopt better policies cannot fix. Despite all our afflictions, the United States clearly has what it takes to get our groove back. We are very large, richly endowed by nature, remarkably diverse in ethnic origins and talent, and possessed of a healthy amount of greed and entrepreneurial drive, even if we are not notably agile or wise at present. We continue to enjoy the superb defensive advantages of a uniquely favorable geopolitical position. As Bismarck observed, “the Americans are truly a lucky people. They are bordered to the north and south by weak neighbors and to the east and west by fish.” Sadly, the fish are mostly gone. But the neighbors are still meek. The United States has a greater margin for error than any conceivable ally or rival.

Our endowment and heritage ensure that America is and is likely for a long time to remain primus inter pares in international politics. What hand we play in world affairs depends on the extent to which we cure partisan dysfunction and restore civil discourse in Washington. We
must address neglected domestic agendas like the need for investment in education and physical infrastructure. We must reform our banking system, tax code, and regulatory structure to promote entrepreneurship, innovation, and social mobility rather than to protect vested interests. We must bring our nation’s foreign policy objectives and commitments into balance with the resources we are prepared to devote to them. And we must focus on correcting the defects in our own society and its performance rather than on imposing our ideas on other societies.

The United States played a central part in crafting the modern world. To play a comparable role in shaping the world of the future to our advantage, Americans must regain an accurate perception of ourselves. We must learn from the ways in which others now often outperform us. Knowing ourselves and those with whom we are competing is the key to once again breaking out of the pack. There is an obvious role for our universities in restoring such awareness.

To identify what needs to be done is simple. To do it is not. Yet our current problems were mostly made in the U.S.A. They must be fixed here. The question is not whether that can be done. It can be. The question is whether we Americans will muster the vision, courage, and determination to do it. That is entirely up to us.