**The Ditchley Foundation 50th Annual Lecture**

*Saturday 12 July 2014*

‘The post-Ukraine world order’

BY

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Russia’s annexation of Crimea has shaken our assumptions about the global order that took shape after 1989. We assumed either that Russia was an impotent spoiler in decline or an aspiring partner. We believed Russia and Europe’s shared interests in economic integration would make forcible alteration of European borders a thing of the past. All of these illusions have been shattered.

We are still arguing about how to react accordingly. The issues go beyond sanctions. European and American leaders have to decide whether to accept that Ukraine falls within a Russian sphere of influence, with concomitant constraints on Ukraine’s sovereignty and our influence upon its development or whether we insist that Ukraine has a right to self-determination and territorial integrity that we should defend until it achieves these goals. Values – democratic freedom, European unity – pull us one way, while interests – close economic ties and energy dependence – pulls us another.

Crimea is not the only event that is making us search for our bearings. With the proclamation of a terrorist caliphate in the borderlands of Syria and Iraq, the dissolution of the state order created by Mr Sykes and Monsieur Picot in 1916 is taking place before our eyes. Even if the caliphate is eventually crushed, as it may be, putting the Humpty Dumpty of existing state order back together in the Middle East may no longer be possible.

The re-ordering underway is truly global. In the East Asia, rival naval fleets are circling each other, Chinese oil platforms are drilling in disputed waters and belligerent accusations fly between Asian capitals. China no longer speaks the language of ‘quiet rise’. Ji Xinping’s muscular foreign policy is alarming Vietnam, Japan, Taiwan, the Philippines and the United States.

We sense that these changes – in Europe, the Middle East and East Asia – are connected to each other. We sense that the tectonic plates are shifting. We question whether anyone in Washington, London, Moscow or Beijing truly grasps what is going on. So this is a good moment to consider what narratives are available to us to make sense of what is happening.

Foreign policy analysts and policy makers may consider ‘narrative’ the province of language scholars or novelists, but narrative – stories about what history means and what it justifies – are the single most decisive mental construct shaping foreign policy.

On June 28, I was in Sarajevo – with Margaret MacMillan and Sir Adam Roberts – to join in a Carnegie Council commemoration of the assassination of the Archduke and the beginning of World War I. Margaret MacMillan spelled out the dire ways in which the *wrong* narratives drove policy reaction to the crisis. The ruling assumption on all sides was that the risks of *ultimata* were manageable because war, if it came, would be short. After all, the Balkan war of 1912 had been short; so too the Franco-Prussian war of 1870. Why shouldn’t any confrontation between Austro-Hungary and Serbia be similarly brief and decisive? Sigmund Freud and Adolf Hitler both greeted the Austro-Hungarian ultimatum to Serbia with exultation. Neither wise men nor fanatics understood that the next war would be tragically different. It was Helmuth Von Moltke, the victor at Sedan, who had warned at the end of his life that the next war would not be a ‘cabinet war’ but ‘a people’s war’, and woe to the person who lit the first spark. [[1]](#footnote-1)Few had listened to his premonition.

The 1914 commemorations should make us aware, once again, of the malign role that false narratives can play in driving policy.

In 1914, policy makers were fighting the last war, not seeking to prevent the next one. In 2014, we should avoid the same mistake by understanding what is genuinely new about the new pattern of international relations.

What is new is the unprecedented degree of global economic and technological integration between rival blocks. Russia supplies Germany its gas, Germany supplies Russia its core industrial and manufactured goods. China buys US treasury debt and Apple makes its Iphones and Ipads in China. This degree of economic integration – which surpasses anything achieved in the first globalization that culminated before 1914 or the second globalization achieved by 1989 – means that ‘a new Cold War’ is the wrong narrative when seeking to understand what is happening today.

The Cold War occurred between economic and technological autarchies, each closed to the other. In 1948 our policy question was which rival autarchy would prevail, not which Russian oligarchs with palaces in London should have their accounts frozen. In 1948, the Russian challenge to West Germany was to its very survival as a democratic republic. In 2014, the Russian challenge is to its central heating. In 1962, the placement of Soviet missiles in Cuba brought the world to the edge of nuclear war. In 2014, few think that the annexation of Crimea is the first step in the re-creation of the Soviet Empire.

The ideological confrontations of the Cold War have vanished, never to return. From the Russian Revolution onwards, millions of Communist true believers fought, and in some cases, died for the belief that there existed a socialist alternative to the capitalist mode of production. This ‘radiant tomorrow’ divided Europe in two and shaped the struggle to decolonize the European empires. Country after newly independent country sought to throw off colonial rule and substitute some variety of ‘socialism in one country’. By 1989, when the Soviet Empire collapsed, the hopes invested in the ‘socialist mode of production’ and the radiant tomorrow had died with it. While there are many types of capitalist society, there is no workable alternative to capitalism as an economic mode of production. In 1989, that question was settled.

This is what Francis Fukuyama meant when he told us that history had ended in 1989. History, of course, never ends, but he was right to believe that the history-defining contest between capitalism and communism was over.[[2]](#footnote-2) Twenty five years on, however, from the Polish border to the Pacific, from the Arctic Circle to the Afghan border, a new political competitor to liberal democracy has taken shape that Fukuyama did not anticipate: authoritarian in political form, capitalist in economics and nationalist in ideology. Lawrence Summers has called this new form ‘mercantilist authoritarianism’ which certainly captures the central role that the state and state enterprises play in the Russian and Chinese economies. [[3]](#footnote-3) Mercantilism, however, misses the crude element of cronyism that is central to Putin’s economic model and to the Communist Party of China as well.

This ‘authoritarian capitalism’ – first pioneered by Augusto Pinochet in Chile in the 1970’s is now liberal democracy’s chief competitor, and if we are to meet the challenge it presents, we will have to understand its inner logic.

Putin uses his power as President to reward those entrepreneurs who can best manage – and exploit – the integration of Russia into the global market for primary commodities, chiefly oil, gas and minerals. The prices for these commodities are set on the global market and so the Russian economy is no longer autarchic. It is open to the competitive pressures of global price systems, but the allocation of economic reward in the Russian system – who gets rich and who stays poor – is determined by a state apparatus centralized in the hands of the President and his cronies. The new Russia – and China too - are, to use Acemogulu and Robinson’s term, ‘extractive’ oligarchies. They exclude all but a few insiders from the exercise of economic and political power. [[4]](#footnote-4) There are no institutional checks and balances on the President’s power in Russia. In China, the President has to balance against the military and competing members of the Politburo. But in both societies, rule of law and an independent judiciary exist in theory, not in practice. Oligarchs know, therefore, that if they mount any political challenge to either regime, the law will not protect them.

There are of course significant differences between the Chinese and Russian variants of authoritarian capitalism. In the Chinese model, the party retains its monopoly role, and while there are managed elections at the village level, no pretense is offered that the system is democratic. Russia pretends to be democratic: there are formal constitutional guarantees and elections, but no one doubts that ultimate control rests with the Soviet *nomenklatura* and the secret police.

In the Chinese case, Communist party rule has been grafted onto the bureaucratic tradition inherited from the Han emperors. In the Russian case, the regime rules with the deadening hand of both Tsarist and Soviet state bureaucracy, yet the guiding role of the Communist Party is no more. In Russia formal political pluralism exists only on paper. There are multiple political parties, but only the President’s party has a chance. There are free media, but only the President’s party has access to the media that reach beyond Petersburg and Moscow. The President accepts that he has lost the middle class in these cities, but he doesn’t care, because deep in the heart of the country, his hold over power is secure.

In the Chinese case, it is the cities the party keeps under tight control, while tolerating sporadic dissent in the villages, where resentment at migration restrictions, land evictions and house demolitions remains endemic. Chinese authoritarianism is, on balance, more relentless and efficient than the Russian. The Chinese population is kept under closer watch, dissidents are routinely imprisoned and the regime monitors the Internet intensively, allowing individuals to vent, but snuffing out any sign of a collective challenge to the regime.

In both societies, people are free to travel, to holiday where they like and to emigrate. They are also free to grumble in private, but anyone who mounts a collective challenge, whether it be a virtual meeting in a chat room or a street demonstration, can be met with force if the challenge is serious enough.

Both the Putin and Xi Jinping regimes have grasped the paradox that the more private freedom their citizens enjoy the less they will demand the exercise of public liberty. Private liberty acts as a safety valve to contain any discontent about the denial of democratic freedom. Moreover, private liberty makes possible efficient market performance.

When Putin and Xi Jinping met recently, they signed a multi-year energy and infrastructure deal that sealed a long-term strategic alliance. Their long-standing border disputes have been placed in abeyance, and their rivalry as regional powers in Asia has been tamped down. What makes their alliance stable over the longer term is that China is so clearly predominant. Any challenge by Russia to China’s dominance in Asia would be futile. In the medium term, what unites them, of course, is a shared hostility to what John Ikenberry has called ‘the liberal leviathan’, the United States and its global web of encircling alliances. [[5]](#footnote-5) So far, the two authoritarians have few friends, but their model is attractive. For corrupt elites in Africa and Latin America, China and Russia offer a model that allows them to continue extractive development.

While Europeans and Americans believe that Crimea marked the moment when the post 1989 international order came apart, for the Russians and Chinese, the fracture occurred 15 years earlier when NATO warplanes bombed Belgrade and struck the Chinese embassy. This moment soldered Chinese and Russian authoritarianism together on the world stage. From the Russian and Chinese viewpoint, the international order came apart over Kosovo, and it is the Kosovo precedent – unilateral secession orchestrated by a great power – that Putin uses to justify Crimea, with cautious approbation from Beijing.

Going forward, both these great powers can be counted on to use their seats on the Security Council to defend the Syrian dictator and to stymie any form of multilateral humanitarian intervention in any place where their interests are directly involved. What remains an open question is how the two powers will react to the fragmentation of state order in the Middle East. Russia and China, together with Iran, have been the major strategic beneficiaries of American misadventures in the Middle East and for the moment, all three are content to allow the Obama Administration to pay the political price for allowing a region shaped by American dominance to fall apart.

There are two over-riding questions that arise with the emergence of authoritarian capitalism as the chief strategic and ideological competitor to liberal democracy. The first is: are they stable? The second is: are they aggressive? The two questions, of course, are related. Unstable authoritarians survive through aggression, by distracting discontented populations with foreign adventures.

Authoritarian societies have powerful advantages over democratic ones. They can make decisions more rapidly, marshal resources of labor and capital by executive decision while democratic societies must first overcome the veto points in their own systems. Since authoritarian societies suppress dissent and plural opinion, they can also channel nationalist emotions into powerful justification for overseas adventurism, especially intervening to protect co-nationals in neighboring countries. China’s Asian neighbors must be wondering when the regime starts using ‘the protection’ of the Chinese as a justification for meddling in their internal affairs.

Authoritarian oligarchies, however, are also brittle. Their rulers believe they must control everything or soon they will control nothing. Their chief dilemma is how to manage the political aspirations unleashed by their own rapid growth. Under Stalin and Mao, rising aspirations for voice could be crushed by force. Under the new authoritarianism, some private freedom has to be allowed since it is the condition of capitalist progress itself. When the growth follows a capitalist path, many of these middle class wealth holders owe their wealth to their own efforts, not only to party or political connections. As their economic autonomy grows, their demands for political voice grow also, and unless the two systems find ways to incorporate them, their demands can become disruptive and destabilizing. The Chinese moment of destabilization came in Tienamen Square in 1989; the Russian regime was challenged by mass street demonstrations in Moscow in 2012. Both regimes survived these moments of crisis by screwing down domestic dissent and by embarking on foreign adventures designed to rally the middle class around unifying nationalist causes.

China’s new assertiveness in Asia is driven by many factors – including the need to find energy supplies in the seas off its shores – but also by a desire to rally its rising middle classes around an assertive vision of what Xi Jinping calls the ‘China Dream”, in which China becomes a global power, not just a regional hegemon.

In the Russian case, the strategic dilemmas are similar: legitimizing extractive rule to a brittle and discontented middle class at home while meeting the challenge of American alliance encirclement on its frontiers. Putin’s response to these challenges has been similar to China’s but has to take into account a weaker economic position.

We should, however, beware of exaggerating these weaknesses. The conventional view about Putin’s regime is that he is perched atop a society in demographic and economic decline, with decaying infrastructure and weak health care and social protection. This is wishful thinking, a false narrative that continues, in essence, the Cold War view that the Soviet Union was “Upper Volta with rockets.” On the contrary, Russia’s natural resource wealth gives it a certain source of state revenue throughout the 21st century, while its limited regime of private freedom creates a safety valve that allows the regime to contain democratic discontent. For millions of Russians, the freedom to travel, to emigrate, to save and invest more than compensate for the occasional brutality the regime displays towards the brave minority who continue to demand an end to authoritarian rule.

This unique combination of private liberty and public despotism separates the new authoritarianism from its Soviet and Maoist past and probably guarantees the long-term stability of both regimes. To be sure, this new form of rule has little outward ideological appeal. Europe and the United States continue to attract immigrants from all corners of the globe, drawn by a freedom that is both private and public. No one is migrating to Russia – or China for that matter. They are out-migration countries. But the fact that their authoritarian capitalism does not appeal to outsiders does not mean it lacks internal legitimacy or support.

The Russian regime has gone to the antique shop to refurbish its domestic legitimacy. Putin’s ideologists echo Konstantin Pobedonostzev’s ‘Manifesto on Unshakeable Autocracy’, an influential apologia for Czarist rule written in the wake of Alexander II’s assassination in 1881. Like his Czarist predecessors, Putin has yoked Altar and Throne together again. Dreary Dostoyevskian tropes about the superiority of Russian spiritual and communal values are once again popular with regime apologists. The regime’s official hostility towards gay rights is not an incidental element, but central to its self-image as a defender of traditional Russian values against decadent secular individualism.

The authoritarian apologetics of both Russia and China may not be appealing, but they are not ideologically aggressive. They make a national claim to legitimacy, not a universal one. Chinese rulers may believe in China’s civilizational superiority, but they have not embarked upon a civilizing mission for the whole world. Mao may have encouraged Maoists from Peru to Paris, but the current regime has no such ambitions. It may want global power but it does not seek global hegemony. The same is true of Russia. Unlike Stalin, Putin will never claim that his country is the universal home of all those seeking emancipation from the capitalist yoke.

In the absence of a universalizing ideology, therefore, the new authoritarian states may be aggressive and nationalist in rhetoric, but they are unlikely to be expansionist. Chinese rulers know they still have several hundred million poor peasants to integrate into a modern economy. It will be decades before their per capita income comes close to Western levels. As for Putin, he cannot afford fantasies of global power. His basic concern is to defend entirely traditional Russian state concerns, and this defines the content of his nationalism. His annexation of Crimea is, in essence, the return of Russia to a frontier on the Black Sea first established by Catherine the Great.

Even if Putin’s basic goals are Russian state interests of a traditional kind, it is still an open question where exactly he defines the boundaries of the Russian sphere of influence. The Baltic states, the Eastern European states once inside the Soviet bloc, Georgia, Armenia are all asking this question.

A former KGB agent whose darkest moment was burning Soviet code books in the garden of the KGB station in Dresden in November 1989 is bound to be nostalgic for the fear the Soviet state was able to instill in enemies at home and abroad. [[6]](#footnote-6) As a KGB agent, Putin is a voluptuary of fear, but any real master of the arts of fear needs to know how far to go. Putin is a realist. He seems to understand both the extent and the limits of his capacity to intimidate and control.

In 2005, when told by the Macedonian President that Macedonia was applying for membership to NATO and the EU, Putin reportedly dismissed the issue with an irritable wave of the hand and said that Macedonia was neither Georgia nor Ukraine. His Balkan audience concluded that he was admitting that Russia would not intervene to prevent the Balkan states joining the EU and NATO.

If the Balkans are safe, for the moment, so too are the Baltics. For all his talk about ‘protecting’ Russian speakers in the near abroad, it appears unlikely that he will intervene in any of the Baltic states provided NATO’s Article 5 security guarantee remains credible. He will be content to keep the Baltic peoples on the *qui vive,* to force them to respect Russian minority rights and to spend more on defense than they would like to. Nor will he touch Poland, the Czech Republic, Romania or Bulgaria. He accepts that they have left his orbit though his secret services will do what they can to destabilize their politics.

Georgia and Ukraine were another matter entirely. Allowing NATO base rights in the Black Sea could have impinged upon Russia’s access, through the Turkish straits, to the Mediterranean and thus limit his capacity to re-supply his Syrian ally and counter-act American influence in the Middle East. All of these strategic concerns would be entirely recognizable to Count Gorchakov or any 19th century Tsarist diplomat. Equally traditional – and Russian – has been Putin’s establishment of privileged energy and political relations with the Muslim republics on his southern frontier. Their Muslim rulers have been tributaries since Czarist times.

Ukraine, as everyone knows, was also once part of the Russian empire, but so far Putin’s refusal to aid Russian separatists directly suggests that his strategy is not to take Ukraine back but to make life as difficult as possible for the new Ukrainian regime. He wants to destabilize Ukraine without having to own its many problems. The relative equanimity with which he has greeted the recent EU-Ukraine pact means that he may be only too happy to have the EU lumbered with the exorbitant costs of righting the Ukrainian economy. NATO membership for Ukraine, on the other hand, would cross a red line. “So far and no further”, seems the essence of the Putin message to the West. This is a defensive rather than expansionist policy.

Yet this is not the end of the matter. How the Ukrainian crisis develops in future turns on how Europe and Russia understand their economic interdependence in a global age. Who needs the other more? Will German dependence on Russian gas cause Merkel to resist sectoral sanctions if Putin does decide to lend active support to the eastern Ukrainian secession? Or will Putin conclude that he needs German energy markets more than he needs to help the dissenters in Donetsk?

These sorts of questions are unsettling, of course, because we have answered them before – in 1914 – and got the answers wrong. In 1914, influential thinkers wrongly assumed that globalization was so advanced that nations’ common interests would prevail over nationalist fervor, righteous indignation and embittered memory. Today, in the globalization era of Google, Microsoft, Apple and Gazprom, we are even more vulnerable to the same false narrative.

Simmering just beneath the Ukraine crisis are emotions of volcanic force, two competing genocide narratives – one Russian, the other Ukrainian – that cannot acknowledge each other’s truth. In the Russian narrative of Ukrainian nationalists as ‘fascists’ there lurks the poisonous historical memory that many Ukrainians did welcome the Nazi invasion of 1941 as liberation from the Soviet yoke and many went on to collaborate with the Germans in the extermination of Ukrainian Jews. In the competing Ukrainian narrative, Putin’s overall design is to re-impose Soviet domination, the same domination that resulted in the forced starvation of seven million Ukrainian peasants between 1931 and 1938. In what Timothy Snyder has so compellingly called the ‘bloodlands’, the memory of the *Holodomor* confronts the memory of the Holocaust. [[7]](#footnote-7)

These combustible materials must be born in mind whenever we are tempted to think the Ukrainian crisis has been successfully de-escalated. It only takes a spark – an assassination, an unprovoked attack by one group against another – to set Ukraine ablaze and for the Russians to intervene, this time, in full force. The real danger is not that Putin takes Ukraine, but that he loses control of events once the cauldron of historical memory overflows.

Wise policy here has to keep the cauldron below boiling point. Both Russia and the West have a converging interest in de-escalating the rhetoric of insult and injury. In the long term, Europe should give Ukraine a route towards European integration. International financial institutions should use loan conditionality to force a corrupt Ukrainian political elite to clean house, open up its economy, devolve power to the regions and just as important, guarantee Russian speakers a full place in the Ukrainian political future. At the same time, the question of NATO membership should be deferred, as a concession to Russian concerns, but held in reserve to sooth Ukrainian fears.

In effect, policy should balance two competing objectives: defending Ukrainian independence and territorial integrity while respecting the Russian sphere of influence in the region.

Wise policy in Ukraine must also secure domestic support among European electorates at home. Here the crisis lays bare a deeper problem. At exactly the moment when ‘more Europe’ seems to offer a solution to the Ukrainian crisis, electorates in Britain, France and Germany seem to be saying they want ‘less Europe’. Voters in the prosperous north are tired of bailing out the economies of the south and alarm at the northward migration of Romanians, Bulgarians and other Eastern Europeans is growing. Further enlargement – which could stabilize both Ukraine and the Balkan states – has become extremely unpopular. The Ukraine crisis arrives at precisely the moment when the solution – more Europe – has lost legitimacy in the European house.

Once again, the memory of Sarajevo 1914 should focus our minds on what is at stake here. Faraway places of which Western Europeans know little can have a way of dislodging the state order of a whole continent. The European project since 1945 came into being to provide an alternative to the structures of imperial rule that failed so dismally in 1914.

The deepest premise of the European project is that the continent is one – from Ireland on the west to the Polish border on the east, from Stettin in the Baltic, as Churchill said, to Constanza on the Black Sea coast. Europeans have lost sight of an ideal as simple as it was appealing: one market, one people speaking many languages and practicing different kinds of democracy, but all committed to end war in the European home.

Much has gone wrong with the European project: too much bureaucracy, too much meddling in the legitimate prerogatives of sovereign states, too little real development of a common European defense and foreign policy, too much petty feuding between heads of government and increasing disillusion by Europeans about the whole project itself.

I don’t want to deny the force of this disillusion or dispute the necessity of a reform of European institutions. I just want Europeans, especially British ones, to remember what Europe is for. If Europe fails to integrate the Balkan states and Ukraine quickly, if these states languish in a halfway house for a decade or more, as most now assume, we risk creating a security vacuum that will be filled by Russia, with negative consequences for Europe’s security.

These implications of the European debate are entirely missing in the British discussion about whether to stay in or get out and are absent in the mean and crabbed European wide debate about immigration control. Europeans need to raise their sights to what matters. Allowing Europe to split in two, allowing a second continent on the southeastern frontier to languish at the doors of the club is a recipe for trouble. Convincing European electorates of this will take time. European leaders in the prosperous north will have to swallow hard and begin persuading their reluctant electorates that full integration is the price of peace.

The American stake in the Ukraine crisis is somewhat larger. What matters to the United States is the confrontation with two authoritarian capitalist regimes that offer a systemic challenge to the liberal democratic capitalist order. This order, as Sir Adam Roberts reminded the audience at Sarajevo, has been pluralist, as any liberal order must be. That is, it must not face the resurgent authoritarianism of Russia and China with the moral claim that liberal democracy is the only acceptable way to order political relations. A liberal order must accept fundamental differences of moral views and political organization because only a pluralist order can guarantee peace. It is worth remembering that containment, however much contemporary Chinese and Russian policy-makers may hate the word, did not seek to roll back the authoritarianism of the day or challenge its zones of influence. George Kennan’s doctrine did not preach liberal democracy as a virtue that should be imposed on others. His was a doctrine to avoid war in a pluralist world. [[8]](#footnote-8)

The new authoritarians cannot be changed, but they can be contained and they can be waited out. To that end, the United States should do what it can to keep the two authoritarians apart, to build relationships with each that offer them alternatives to greater integration with each other. It’s obvious too that the United States will have to provide credible deterrence by land, sea and air to any authoritarian threat to the territorial integrity of allied states from the Baltic to the China Sea. But strategic balancing will hardly be enough, for the battle of ideas needs to be won, not on the high seas of East Asia, the desert borderlands of Iraq and Syria, or the bloodlands of Ukraine. The real battle lies at home.

If authoritarian capitalism is the emerging challenge to liberal order in the 21st century, the needed response is to reform liberal democracy at home. What alarms America’s allies is not weakening credibility of its strategic guarantees. American power remains overwhelmingly credible when used with discrimination and care. The real problem is democratic dysfunction at home: the 20 year impasse between Congress and the executive branch, the reality-fleeing polarization of political argument, the gross failure to control the invidious power of money in politics, weakening domestic infrastructure and public disillusion with democracy itself. These are not discontents unique to America. Other liberal democracies face similar challenges, but they have got money under control in their politics and re-balanced their political systems so that executive and legislative branches function effectively. Thankfully all the world is not America and other democratic systems offer developing societies a variety of compelling ways to achieve what economist Lant Pritchett has called ‘getting to Denmark.’[[9]](#footnote-9)

But America remains the democracy whose state of health determines the credibility of the liberal capitalist model itself in the world at large. There are many reasons why the advance of liberal democracy since 1989 has been checked – why there are fewer democracies today than there were in 2000 – but one of them may be the declining attractiveness of the American model to peoples seeking a solution to their problems of political order.

A still deeper problem is American disillusion with their own institutions.

America’s capacity for leadership abroad has always depended on more than the particular character of Presidents. It sprang from the whole society’s inner confidence in the robust combat of democratic debate, together with broadly shared faith in the egalitarian ideal at the heart of the American dream. These elements of faith were never stronger than in the great generation that returned home victorious from World War II. The leadership they brought to the world was built on American might, to be sure, but also on their broadly based public faith in American institutions and American equality. These are the elements that have been sapped by fifty years of ill-conceived adventures abroad, from Vietnam to Iraq and increasing democratic dysfunction at home.

The past fifty years since Vietnam have not been happy ones for the United States, and this has triggered a succession of narratives about American secular decline. For some the rhetoric of American decline is a source of *schadenfreude*, for others a source of alarm, but either way, the narrative of American decline seems false. It neglects the historical evidence of the American capacity for institutional renewal – in the Progressive era, the New Deal, the New Frontier and the Reagan Revolution. It also neglects the hard facts of American companies’ commanding positions in the leading technologies that will shape the 21st century.

Predicting American decline is either foolish or premature, but this does not mean that America does not face formidable challenges of renewal. Richard Haas, President of the Council on Foreign Relations, is surely right when he says that a revived foreign policy capable of meeting the challenge of the new authoritarianism must begin at home, with determined, incremental institutional reform of American democracy. [[10]](#footnote-10) President Obama is surely right, too, when he says that nation-building abroad can wait: it is nation building at home that must take priority. [[11]](#footnote-11) The challenge of the new authoritarianism is to put America’s own house in order, to revive among its own people the faith that liberal democracy can reform itself and rise to the challenges of the hour. If democratic dysfunction continues, the risk is not just domestic decline, but ugly adventurism abroad, since it is not just authoritarians who find it tempting to distract discontented domestic audiences with overseas adventures. After Crimea, after the bloody caliphate rising on the banks of the Tigris, after the rising tension in the China Sea, we do not need further foolish adventures abroad, still less words that are not backed up with deeds. We need a Europe and a United States whose people believe, once again, in their own institutions and relish the chance to prove, in peaceful competition, that they can meet the challenge of the new authoritarianism.

1. Helmuth von Moltke *Moltke on the Art of War: Selected Writings,* ed. Daniel Hughes (London, Random House); Margaret MacMillan *The War That Ended Peace: The Road to 1914* (London, Random House, 2014); Christopher Clark *The Sleepwalkers: How Europe Went to War in 1914* (London, Allen Lane, 2012) [↑](#footnote-ref-1)
2. Francis Fukuyama *The End of History and the Last Man* [↑](#footnote-ref-2)
3. Lawrence Summers *Financial Times*, July 8, 2014 [↑](#footnote-ref-3)
4. Darren Acemoglu and Kenneth Robinson *Why States Fail* (London 2013) [↑](#footnote-ref-4)
5. John Ikenberry *Liberal Leviathan* [↑](#footnote-ref-5)
6. Natasha Gessen The Man Without a Face [↑](#footnote-ref-6)
7. Timothy Snyder *Bloodlands* (Yale, 2007) [↑](#footnote-ref-7)
8. George Kennan *Diaries*, (New York, 2014) [↑](#footnote-ref-8)
9. Lant Pritchett, Harvard Kennedy School, tbc [↑](#footnote-ref-9)
10. Richard Haas *Foreign Policy Begins at Home*, ( New York, 2012) [↑](#footnote-ref-10)
11. President Barack Obama *Speech at West Point*, May 2014 [↑](#footnote-ref-11)