

Welcome back America!



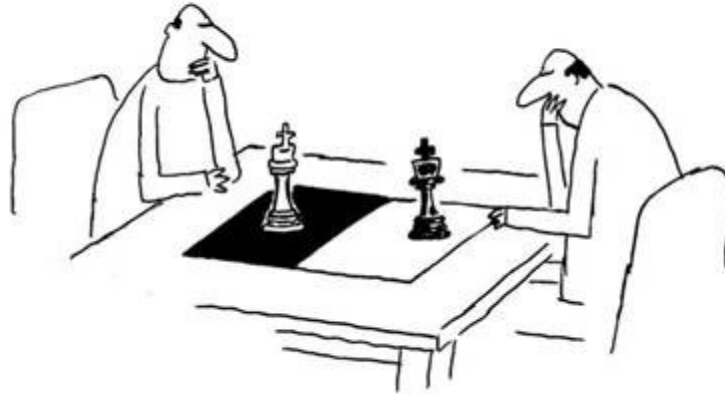
Few contests in memory have been followed so earnestly around the globe as this past week's US presidential election. For some it was about tribal warfare or watching a nail-biting penalty shootout against your archrival sports team. Others felt the efficacy of democracy itself was at stake.

The weakness of all autocratic systems is that, at some point, you get a bad king, but they can stay in power for many many years. While democracy can and often does make mistakes choosing its elected officials, its ability to cleanse itself of miscalculated judgements is the key to its renewal.

Many are already celebrating the use of the past tense when referring to Donald Trump. Stanford's Francis Fukuyama even quipped: "It feels like we've just completed an exorcism". While Joe Biden has been declared America's next leader, anyone expecting a repudiation of Trumpism, will be disappointed.

Once the elation of victory subsides, the sobering reality will emerge that American voters have delivered for themselves a political system that promises stalemate rather than renewal. Trump may have lost but Republicans as a whole gained nationally. Without a Senate majority and without the sweeping popular endorsement across the country, any of the meaningful reforms which attracted their votes in the first place such as his ambitious clean energy program are no longer on the cards.

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Contrary to progress, or at least change, the election cemented stasis. Looking beyond the slogans: “Yes, we can”; “Make America Great Again”; or “Unity”, the gridlock defining American politics for over two decades not only persists but has intensified. Setting aside the enticing propaganda, the ugly and defective “brick throwing” apparatus remains the same. The divisions run horizontally from left to right and vertically across generations. America’s youth cannot be pleased to learn that the most powerful people in government – Biden, McConnell and Pelosi, each near of over eighty years of age – may be the least able to relate to their preferences, two generations removed.

A Biden presidency risks being caught between two irreconcilable forces — a stubbornly entrenched Trumpian right and an embittered Democratic left. The wholesale institutional mistrust in government which animated the Trump movement has, if anything, been stoked by the narrow margin of victory. While Trump supporters are deeply dissatisfied (without publicly admitting to it), they do not seem to desire any government help because that would equate to socialism. A tough nut for Biden to crack under any circumstance, and especially with the Senate holding the keys to the legislative kingdom.

On the left, the Democratic party is led by urban coastal elites who seem more concerned about policing social identity issues than improving the quality of lives among lower - middle class Americans which have been declining for decades.

Nathan Deal, the former governor of Georgia, summed up the fragile coalition which tipped the balance by a few thousands of votes in a handful of states for all of America: “Suburban white women, African-Americans, a growing Latino population, and some old white-haired Democrats like me.”

The world needs a decisive, not fickle America; an anchor not an unmoored super-tanker. Aside from its raw power, America’s greatest asset has traditionally always been its predictability. In foreign policy, the nine presidents from Harry Truman to George H W Bush were a common lot: pro-Europe, pro-trade, coordinated global protection, and supportive if not always enthusiastically engaged in international organisations. No partnership works without loyalty and predictability. Allies could plan accordingly. Whatever America’s faults, sudden and unaccountable changes of behaviour were not among them.

This election marks two decades of American fickleness, an attribute incompatible with leadership and lasting reform. On climate change, for instance, Bill Clinton embraced the Kyoto protocol, George W Bush disavowed it, Barack Obama signed its successor Paris climate deal, Mr Trump unsigned it and Mr Biden will re-sign it. As likely as not, the next Republican president will again throw off what much of that party sees as a foreign shackle on US industry. Never mind that none of us may be around, let alone have anything to be industrious about, if we don’t soon come to grips with climate change. Mr Biden can do a lot to restore America’s worldwide influence and Ana María Hidalgo, the Mayor of Paris, is understandably elated to tweet Biden her best wishes with “Welcome back America!” (referring to the Paris Climate Accord). But Biden is powerless to assure her, or any of us, the one thing on which American leadership depends: the continuing commitment of his successors.

The fact is that our futures will be very different to our pasts. A political system that is de facto locked on automatic pilot is a recipe to veer off the cliff. Societies inevitably face an unprecedented wave of stress tests, any one of which threaten severe, even catastrophic impact: pandemics, climate change, aging populations, costly health care systems, underfunded pensions seeking annuities when capital neither costs or yields anything; information discovery etc.

These are not Detroit, Helsinki or Osaka problems but global problems. Common problems require shared solutions.

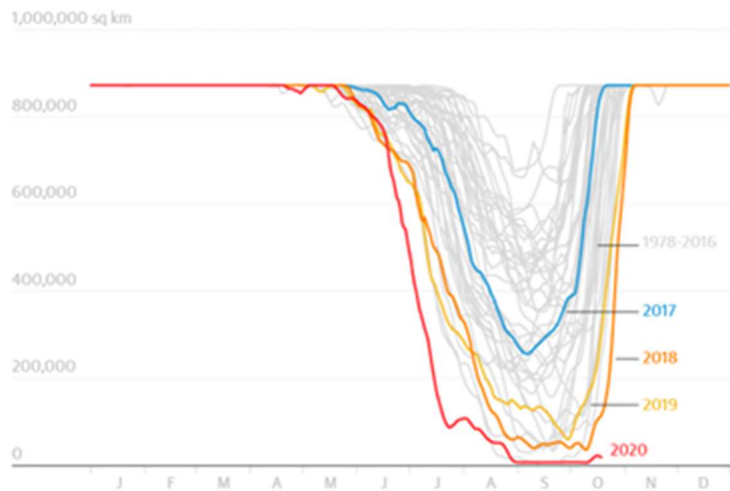
Claude Lamoureux, credited with reforming Ontario Teachers Retirement, now considered the world’s best-performing retirement fund, told me this week that the ratio of active to retired

teachers has declined from 8:1 to less than 2:1 in the past 40 years.

What is worse is that once the teeth of these problems bite, it can be too late to do anything about them. For the first time since records began, the main nursery of [Arctic](#) sea ice in Siberia has yet to start freezing in late October.

For the first time since records began, the Laptev sea has yet to start freezing by late October

Extent of sea ice in the Laptev sea



Guardian graphic. Source: Noaa



These are realities, not conjectures.

Resolution requires concerted and consistent effort over a long period of time. It took 25 years to reform Finland's primary education system before it topped the league in PISA scores. Singapore achieves superior health care outcomes at 25% of the cost of the US and 40% of Europe thanks to a system which gives consumers "skin in the game". It's now thirty years in the making. Denmark's commitment to wind power dates back to the 1970's when the benefits were egregiously uneconomic. More than half of its energy is now from renewable sources. Ontario Teachers' Pension Plan has evolved over thirty years since Lamoureux convinced Canada's labor unions that the fund needs to attract and pay the best people from Goldman Sachs and Blackrock to work for them, rather than paying them fees. Ontario Teachers' has had an annualized total-return of 10% since reforms were made in 1990, and retirees' pensions are fully funded with 100% inflation protection provided on all pensions.

It may be far-fetched to think that small, successful, experimental nations can fill this vacuum of leadership, but the world is begging for consistent leadership and a positive example, so an opportunity presents itself to step up.

Thought about it differently; what if nobody does?