

## Beware of hailing America's decline

Review by Christopher Caldwell

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The Frugal Superpower, by Michael Mandelbaum, *Public Affairs (Perseus)*,  
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Americans are fond of “leadership” — both the word and the thing — but others can be forgiven for taking a dimmer view of it. “Leadership” means having informal control over others without submitting to formal vetting by them. As Johns Hopkins University professor Michael Mandelbaum argues in *The Frugal Superpower*, the leadership the US has exercised since the second world war, and particularly since the cold war, has made it “the world’s de facto government”.

The US keeps order in ways that you see on television every night and in ways that you don’t. It protects economic resources — particularly oil and the shipping lanes through which it moves. The US provides the global economy with a regulatory framework and a reserve currency. No one voted for this world “government”, at least not formally, and its legitimacy has been sharply questioned since the invasion of Iraq in 2003. Nonetheless, Mr Mandelbaum argues: “American power confers benefits on most inhabitants of the planet, even on many who dislike it and some who actively oppose it.” They would suffer were US power to diminish.

That is exactly what is happening now, Mr Mandelbaum writes. The US welfare state is overburdened, now the baby boom generation is retiring. Money to pay the pension cheques will be found by cutting defence and diplomatic budgets. The financial crisis that began with the collapse of Lehman Brothers strained American resources even further. It shook US voters’ confidence in governing elites (to the continuing surprise of the elites themselves), and led to massive new deficits. A recent Pew survey found that 49 per cent of Americans think the US ought to “mind its own business internationally” — a higher score than at any time since the question was first asked in 1964.

The task Mr Mandelbaum has set himself is to figure out how the US, with fewer resources, can continue to supply the world with the government it relies on. Certainly there will be an end to nation-building — or humanitarian intervention, or democracy promotion or transformational diplomacy, or whatever you want to call those optional wars the US was tempted into fighting once it was liberated from the constraint of a hostile Soviet Union. There will be no more wars to improve the human rights situation in Somalia, Bosnia or Haiti.

That the US will do less does not mean the system it built will collapse or even weaken. Mr Mandelbaum sees only three countries at present with the capacity and the incentive to upset it: China, Russia and Iran. He is not too worried about the first of these. In the end, China is dependent on the status quo for the economic resources that allow it to pacify its restless rural population. Breaking the arrangements that underpin Chinese trade, he rightly notes, “would remove one of

[China's] two principal sources of political legitimacy, forcing it to rely, in order to remain in power, on the other one: nationalism." That is indeed an argument in favour of the existing system. But it is also an argument that what is good for China is good for the world.

Russia and Iran are different, Mr Mandelbaum believes. He sees the expansion of Nato to Russia's borders as the worst-conceived US policy of the post-cold war era. Russia's leadership believe — with good reason, he thinks — that the US double-crossed and took advantage of it. Russia is now set on thwarting US interests. Getting them to buy into the system is next to impossible. The same may be true of Iran. The best course in dealing with both countries is to limit their wherewithal for strategic mischief. Since they are heavily dependent on oil, the way to do that is by imposing a heavy tax on petrol.

Mr Mandelbaum has been preaching the gospel of petrol taxes for a long time, and does so persuasively. He notes there are environmental and fiscal reasons to favour such taxes on top of the foreign-policy ones. But they have little chance of getting enacted. Mr Mandelbaum himself sees that dependence on oil "has the same fundamental cause as the impending economic constraints on American foreign policy ... the failure to pay the full costs of what is consumed."

The author is always reasonable and clear. In the end, though, maybe this is a more straightforward story of decadence and decline than he cares to admit. The US was able to establish an international order after the second world war because in 1950 it produced 52 per cent of the world's goods and services. The order is open enough to benefit a great variety of countries. That is a tribute to the Americans as founding fathers. It does not make them indispensable as leaders.

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