

opinion



Cost of 'making' democracy

WILLIAM PFAFF



Paris

Barring the increasingly influential isolationist/tea party wing of the American electorate, opinion is and always has been that the United States is the messenger of democracy to a world that usually hasn't earned it and probably doesn't deserve it.

The Obama administration today includes two camps officially committed to the promulgation of democracy, one of them located in the State Department, CIA and Pentagon, willing to employ subversion, invasion, and fire and brimstone to accomplish regime change in politically backward nations in order to bestow upon them a better life, such as the U.S. knows.

Associated chiefly but not at all exclusively with the Republican Party and Republican presidencies, it has been responsible since the Persian Gulf War for American-led mayhem in the Middle East and West Asian Afghanistan and Pakistan. In addition, its enduring commitment in Europe from the Atlantic to the Urals has been to establish the primacy of NATO and indirect reign of the U.S. up to, or beyond, the frontiers of a weakened Russia.

With the election of President Barack Obama this policy group was expected to lose influence, but this was a temporary phenomenon as the present internal struggle between east and west in Ukraine demonstrates, and the mounting pressure in Washington for American intervention in Syria and Iraq against the Islamic Caliphate that has been proclaimed to exist, straddling territories taken from both those countries. To this must be added alarm over China and the steady augmentation of the

American military presence in Africa, in search of new democracy-building tasks — of which there are many.

The second center of foreign policy activism in the Obama administration has been the White House and the office of the American ambassador to the United Nations. It consists of those who are of humanitarian intervention persuasion, recently concerned mainly with civil struggle and nation-building in Sudan, "leading from behind" in Libya, and advocating intervention in the Syrian Revolution — and, one would hope, today preoccupied with the possibility if not probability that sectarian murders in Israel's occupation and annexation of Palestinian territories may lead to uprising and another sanguinary military repression of the Palestinians, and against seething Gaza.

The U.S., as the world knows, under every American government of the past 64 years, has borne a tremendous responsibility for this situation in Israel and what has led up to it, due to American complicity and implicit encouragement of Israel's appropriation of the Palestinians' lands and oppression of the Palestinian people, a policy that amounted to punishing the Palestinians for the Holocaust, and will leave a permanent stain upon the reputation of the Israeli nation and its people.

Few in the American democracy-building community — military version or peaceful persuaders — seem to have made or promoted serious public appraisals of whether any of this democracy-propagation works. How do you "make" democracy? If one considers the roster of serious, stable, reliably working democracies in the world today, I see none that did not "make" itself. Some inherited parliamentary institutions and civil liberty precedents from the colonial experience of their populations, contributing to the construction of independent nations. New states of British inheritance were luckiest in this.

Neoconservative Americans, preceding, and again after, the invasions of Afghanistan and Iraq, used to argue that after World War II the Allies "made" democracies of Germany and Japan. It followed, they claimed, that it would be the same in the Middle East and Asia.

Military occupation of both defeated states (which in the guise of perpetual alliance continues today!) certainly guaranteed that the Japanese and Germans would not plunge again into militarism. They were both sophisticated and exceptionally well-educated nations. Both had representative institutions and constitutional monarchies before the two world wars, and Weimar Germany was a liberal state between the wars. In 1945 both these defeated peoples were acquainted with representative government; and furthermore were integrated into democratic national communities in the years following World War II, and were threatened by totalitarian neighboring states.

Consider the results of the American effort under George W. Bush and Obama to bring democracy to the Middle East and to Afghanistan today — or indeed to Ukraine and Georgia. Iraq is a wrecked nation and soon may be a partitioned state. Afghanistan has paid an enormous price for its liberation from a Taliban government in 2001. Syria is in civil war, Saudi Arabia deeply unstable, and Islam itself has been thrown to the brink of a sectarian war that could permanently wound a great civilization. Ukraine experiences regional and sectarian conflict, and Russia has been deflected from the pacific course of international cooperation on which Mikhail Gorbachev set it.

To finish, consider what this proud effort has done to the U.S., its civil liberties, and to its own democracy.

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The silver fox of dictatorship and democracy

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Throughout his years in power, Eduard Shevardnadze was known as the "silver fox," a man who seemed to glide effortlessly from leader of Soviet Georgia and Kremlin Politburo member to Mikhail Gorbachev's reform-minded foreign minister, before reemerging as post-Soviet Georgia's pro-Western president, ironically opposing Gorbachev. He regarded himself as a hero who liberated Georgia from Russia's tight embrace. He was also one of the most corrupt politicians his country ever saw.

By the end of his life, Shevardnadze had become a political pariah in Georgia, the West, and Russia, where he was viewed as an architect of the Soviet Union's dissolution. Yet, even if he was largely forgotten after the Rose Revolution of 2003, when he was ousted by his one-time protege, Mikheil Saakashvili, his cunning and skill at manipulating political forces still enabled him to manage his legacy to his advantage.

The staunchly pro-American Saakashvili launched successful economic reforms and an all-out assault on police corruption, though he, too, eventually was accused of taking bribes and indulging autocratic impulses. Having come to power in the revolt that overthrew the corrupt Shevardnadze, he resorted to the same Soviet-style techniques — intimidating and discrediting opponents, dispersing dissenters by force — to keep his opponents at bay.

The question Georgians have been asking ever since is whether Shevardnadze was really overthrown at all. Knowing the extent of his unpopularity in 2003, many believe that he was ready to leave power but needed a successor who would ensure that his legacy (and his wealth) survived. To be sure, Saakashvili became famous as Georgia's justice minister for submitting corruption charges against the Shevardnadze

family, and early in his presidency was able to reclaim for the state \$15 million dollars of the Shevardnadze fortune. But Saakashvili's government never touched Shevardnadze and his family.

Regardless of whether this theory is true, its persistence lies at the core of Shevardnadze's legacy. Throughout his career, he was known to play all sides, at times threatening his resignation, only to stay on — or accusing enemies of assassination plots, only to stay alive. In the 1970s, he would flatter Soviet leader Leonid Brezhnev with spectacular displays of fealty to the Kremlin, only to meet with protesting Georgian students in support of their right, in opposition to the Kremlin's wishes, to speak Georgian, not Russian, as a state language.

Everything at which Georgians excelled under Shevardnadze in the Soviet era — entrepreneurship, education, and culture — was greatly neglected by him in the 1990s. Similarly, whereas tens of thousands of functionaries were indicted for corruption or lost their jobs under his leadership in the 1970s, the post-Soviet Shevardnadze of the 1990s reportedly joked that he should have arrested himself, but that he deserved his wealth for his priceless political contribution.

In 1999, during the New York celebrations marking the 10th anniversary of the fall of the Berlin Wall, I myself heard Shevardnadze assert that Georgia had given the 20th century two historic figures: "One who erected the Iron Curtain [Joseph Stalin], and one who tore it down" — meaning himself.

Surely, Shevardnadze's political skills were worthy of another great Soviet politician from the Caucasus, the Armenian Anastas Mikoyan, once Stalin's trusted trade minister and later Nikita Khrushchev's fellow anti-Stalinist and deputy prime minister. Mikoyan, as one joke had it, left the Kremlin one day in heavy rain and refused to share a colleague's umbrella. "It's OK," he said, "I will walk between the raindrops."

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What if U.S. had stayed out of WWI?

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The first big wave of embracing a liberal international economic order — relatively free trade, rising international capital flows and rapidly growing global economic integration — resulted in something remarkable.

Between 1870 and 1914, there was a 45-year span of rising living standards, stable prices, massive capital investment and prolific technological progress. In terms of overall progress, these four-plus decades have never been equaled — either before or since.

Then came the Great War. It involved a scale of total industrial mobilization and financial mayhem that was unlike any that had gone before. In the case of Great Britain, for example, its national debt increased 14-fold.

In addition, England's price level doubled, its capital stock was depleted, most offshore investments were liquidated and universal wartime conscription left it with a massive overhang of human and financial liabilities.

Despite all that, England still stood out as the least devastated of the major European countries. In France, the price level inflated by 300 percent, its extensive Russian investments were confiscated by the Bolsheviks and its debts in New York and London catapulted to more than 100 percent of GDP.

Among the defeated powers, currencies emerged nearly worthless. The German mark was only worth five cents on the prewar dollar, while the country's wartime debts — especially after the Carthaginian peace of Versailles which John Maynard Keynes skewed so brilliantly — soared to crushing, unrepayable heights. In short, the wave of debt, currency inflation and financial disorder from the Great War was immense and unprecedented.

With all that in mind, one important question only rises in importance: Was the United States' intervention in April 1917 warranted or not?

And did it only end up prolonging the European slaughter?

Never mind that it resulted in a cockamamie peace, which gave rise to totalitarianism among the defeated powers. Even conventional historians like Niall Ferguson admit as much.

Had President Woodrow Wilson not misled the U.S. on a messianic crusade, Europe's Great War would have ended in mutual exhaustion in 1917.

Both sides would have gone home battered and bankrupt — but would not have presented any danger to the rest of mankind.

Indeed, absent Wilson's crusade, there would have been no allied victory, no punitive peace — and no war reparations. Nor would there have been a Leninist coup in Petrograd — or later on, the emergence of Stalin's barbaric regime.

Likewise, there would have been no Hitler, no Nazi dystopia, no Munich, no Sudetenland and Danzig corridor crises, no need for a British war to save Poland, no final solution and Holocaust, no global war against Germany and Japan — and, finally, no incineration of 200,000 civilians at Hiroshima and Nagasaki.

Nor would all of these events have been followed by a Cold War with the Soviets or CIA-sponsored coups and assassinations in Iran, Guatemala, Indonesia, Brazil, Chile and the Congo, to name just a few.

Surely, there would have been no CIA plot to assassinate Castro, or Russian missiles in Cuba or a crisis that took the world to the brink of annihilation.

There would have been no Dulles brothers, no domino theory and no Vietnam slaughter, either. Nor would the U.S. have launched a war in Afghanistan's mountain valleys to arouse the mujaheddin from their slumber — and hence train the future al-Qaida.

Likewise, in Iran there would have been no shah and his Savak terror, no Khomeini-led Islamic counter-revolution, no U.S. aid to enable Iraqi President Saddam Hussein's gas attacks on Iranian boy soldiers in the 1980s.

Nor would there have been an American invasion of Arabia in 1991 to stop our erstwhile ally Saddam from looting the equally contemptible emir of Kuwait's ill-gotten oil plunder — or, alas, the horrific 9/11 blow-back a decade later.

These two events — along with so many of the above-listed offenses later on — could have been avoided if only the U.S. had shown the wisdom of staying out of World War I.

The real point of that Great War, in terms of the annals of U.S. economic history, is that it enabled the already-rising U.S. economy to boom for the better part of 15 years after the onset of the war.

In the first stage, the U.S. became the granary and arsenal to the European allies. This triggered an eruption of domestic investment and production that transformed the nation into a massive global creditor and powerhouse exporter, virtually overnight.

U.S. farm exports quadrupled and farm income surged from \$3 billion to \$9 billion. Land prices soared, country banks proliferated and the same was true of industry. For example, steel production rose from 30 million tons annually to nearly 50 million tons.

Altogether, in six short years from 1914 to 1920, \$40 billion of U.S. GDP turned into \$92 billion — a sizzling 15 percent annual rate of gain.

The depression that could have been avoided.

Needless to say, these figures reflected an inflationary, war-swollen economy. After all, the U.S. had loaned the Allies massive amounts of money — all to purchase grain, pork, wool, steel, munitions and ships from the U.S.

This transfer amounted to nearly 15 percent of GDP, or an equivalent of \$2 trillion in today's economy. It also represented a form of vendor finance that was destined to vanish at war's end. As it happened, the U.S. did experience a brief but deep recession in 1920. But it was not a thoroughgoing end-of-war one that would "detox" the economy.

The day of reckoning was merely postponed. It finally arrived in 1933 when the depression hit with full force. The U.S. economy was cratering — and Germany embarked on its disastrous "recovery" experience under the leadership of Adolf Hitler.

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Germany's triumph in Brazil was no surprise

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Germans had a hard time believing what happened Tuesday night in Brazil. Sure, they were celebrating their country's 7-1 win over the home favorites in a World Cup semifinal — street musicians on Berlin's S-Bahn were playing "for the German champions" — but newspaper headlines spoke of incredulity rather than sheer joy.

"Unimaginable, incomprehensible, inconceivable," said the headline in the daily Frankfurter Allgemeine. "Is it really true?" wondered Munich's Sueddeutsche Zeitung.

Everything about that victory, however, was logical and even overdue: The entire German soccer system has been working toward this moment since 2001. Yes, the Brazilian squad came apart after Thomas Mueller and Miroslav Klose scored the first two goals, allowing three more in six minutes.

Yet it was the quality of the German play that won the game, and that should not have been a surprise.

Germany's top club, Bayern Munich, is the reigning world club champion and the 2013 winner of Europe's most prestigious club competition, the Champions League (it played another German team, Borussia Dortmund, for the title). On those two teams' rosters, a full 26 players were eligible to play for the national side, and most were young alumni of the powerful talent-spotting and youth training system that the Bundesliga, Germany's major soccer league, has built since 2001.

The effort was spurred by Germany's dismal performance in Euro 2000, the continental championship. The aging team led by foreign-born players who naturalized to become German citizens finished last in its group. Soccer officials decided to remedy the situation and completely overhauled the system. Every pro club was required to run an academy to train up young players. In 2003, a talent-spotting system was set up by the national soccer organization, the DFB. It focused on training enough certified coaches to notice talented players as they emerged, throughout Germany.

"Many coaches in Germany can earn money by coaching a team and so they have enough time to develop themselves and their players," Frank Womuth, director of coach training at the DFB, explained recently. "Many" means more than 30,000, more than in other European countries.

According to the Bundesliga's latest financial report, German clubs spent more than \$1 billion on their youth

academies since 2001.

The investment paid off. Mueller, who scored the first goal against Brazil, is only 24. He plays for Bayern, where he came up through the youth training system. Toni Kroos, who scored two, is the same age. He started out in the youth system of lowly Hansa Rostock in eastern Germany, before being spotted by Bayern scouts. Another two-goal scorer, Andre Schuerle, 23, now plays for Chelsea — he came up through the youth pipeline of Mainz 05, a middling Bundesliga club.

The Bundesliga does not have a restriction on the number of foreign players the clubs may buy or use in any given game. Such a cap, considered to be patriotic, is now destroying Russian soccer. German clubs are, however, required to have no fewer than eight players who had represented a local club between the ages of 15 and 21, and half are required to have spent at least three years with their current club.

The system makes sure young players get a chance. The rest depends on their ability to compete with older, often foreign stars. Dante, a top defender with last night's losing Brazilian side, scored a goal for Bayern in the Club World Cup final last year.

Something else German soccer functionaries did at the turn of the century was to let private capital into the system,

in a way that wouldn't allow investors to dictate club policy: Bundesliga club members, the fans, must always have at least 50 percent plus one vote.

Private business still wants to get involved for reasons of promotion and prestige and Bayern counts the insurance company Allianz, carmaker Audi and sporting goods giant Adidas among its shareholders.

The system helps clubs raise money, but they stay thrifty. In the Bundesliga, player salaries account for only 39 percent of club expenses, compared to the European average of about two-thirds. That's one reason why the top German league, the continent's second biggest after the U.K.'s by revenue, is consistent and profitable.

German soccer is so rationally organized, conscientiously coached, elaborately researched and prudently run that it just had to rise to the top at some point. Even if Germany's young team doesn't win the World Cup — Argentina is a formidable opponent — it will still have one or two more shots at the title. Reason, order and effort will triumph, just give them time.

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