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Remember the '90s, Don't Long for a Return

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“If a man were called to fix the period in the history of the world during which the condition of the human race was most happy and prosperous, he would, without hesitation, name that which elapsed from the death of Domitian to the accession of Commodus,” Edward Gibbon writes in *The Decline and Fall of the Roman Empire*. “The vast extent of the Roman empire was governed by absolute power, under the guidance of virtue and wisdom.” It was stable, at peace, just, and prosperous. Yet a single flaw made its collapse inevitable: dependence on the character of one man, the emperor.

It is hard not to read these lines and think of our own golden age. Only recently, after all, did the democracies of the West appear at ease with themselves, the day's great ideological conflicts apparently solved. Governments were liberal, open, and modern, and their countries not yet so full of the angst that seems to define them today. The phrase *War on Terror* had not yet been coined, China had not yet risen, and Europe was on a smooth path to ever-closer union, protected and supported by the only power on Earth that mattered, the United States. This was the 1990s.

This world is now gone. Today, faced with a once-in-a-century pandemic—which itself came on the heels of the great financial crisis of 2008, September 11, the wars in Afghanistan and Iraq, breached red lines in Syria, and the rise of Vladimir Putin, Xi Jinping, Donald Trump, and Brexit—the extraordinary power, prestige, and sense of inevitable triumph that the West inherited only a few decades ago has suddenly disappeared. Is this how the American Century ends and China's begins?

To understand what has happened and why it matters, I spoke with politicians, foreign-policy specialists, and government officials in the U.S. and Britain. Although there is little consensus on the questions of when and how the previous era ended—or what it means for the future—something of a common understanding is beginning to emerge: The golden era of the '90s was never golden to begin with. Like Gibbon's Rome, it was structurally and irretrievably defective, compromised by the arrogant belief in its own myth of inevitable superiority.

For many, whether they are on the radical left or populist right, the further from the '90s and early 2000s we travel, the more flawed that period looks: turbocharged globalization, China's seemingly costless entry into the World Trade Organization, the creation of a common European currency without the necessary tools to manage it, the failure to regulate subprime lending, unquestioned support for the free movement of labor and capital, apparently unending wars in the Middle East.

The rapid collapse of the liberal democratic global order has left many of its former inhabitants in the West traumatized and politically homeless, wandering through today's wrecked landscape in a state of bewildered mourning, hoping, somehow, that old certainties can be restored. Here in Britain, we see a yearning for the time before Brexit and the financial crisis, for the centrist political consensus that once seemed permanent. In the U.S., that desire manifests in the hope that Republicans can revert to mainstream Reaganite politics or that all the Democrats need to do is return to the time of Barack Obama.

Yet according to those I spoke with, the pandemic reveals the need to speed away from this time, not reverse back to it. Today's problems are the *result* of that era's mistakes.

"There was a hubristic view that there was an inevitability about things," Tom Kelly, Tony Blair's official spokesperson from 2001 to 2007, told me. He recounted a trip to Beijing in this period, during which China gave reassurances about its commitment to democratizing "from the bottom up," in his words. "Frankly, we were just too eager to hear it," he said. The same story is true of Iraq after the removal of Saddam Hussein, and of Saudi Arabia under the brutal but allied rule of its royal family, whose unending promises about planned modernization the West was too ready to accept.

In hindsight, the scale of naïveté is staggering: the failure to anticipate the sudden mass movement of people from Eastern Europe after European Union enlargement in 2004 and the impact it might have on domestic politics; the shortcuts and political fixes built into the European single currency that would come home to roost after 2008; the failure to design a Marshall Plan for Russia after the Soviet Union's collapse, or to anticipate Russia's reaction to NATO's expansion; the wars in the Middle East; and, of course, the great opening up to China and how that accelerated changes in the global economy. Emma Ashford, a research fellow at the libertarian CATO Institute, told me, "When we talk about foreign policy, I think we too often overlook the fact that many of the negative trends we see today are the direct result of our choices during the 1990s and early 2000s."

When this era came to an end is up for debate. For some I spoke with, it concluded as early as December 31, 1999, the day Vladimir Putin took charge in Russia; or in 2000, when Bill Clinton signed into law "permanent normal trade relations" with China; or on September 11, 2001, triggering two decades of turmoil in the Middle East. Others plump for the 2003 intervention in Iraq, or the sweeping changes to the EU from 1999 to 2004, including the introduction of its single currency and its eastward expansion. Helen Thompson, a political-economy professor at the University of Cambridge, told me that although it is hard to pinpoint the moment the old world ended and the new one began, by 2005 it was clear that the world had irrevocably changed. "You can see a lot of things that will matter in a decade beginning to take shape in 2005," Thompson said. Again, the decisions of one world help to bring in the next. Trump is not the cause of the new world, but the consequence of the old one's failures.

If 2005 is the year we can see the old world on its way out, then 2008 is the year it was executed. This is the year of the great crash, the first crisis of the global economy. The crash exposed not only structural flaws in individual economies, but also the structure of the global economy itself: financially interdependent, underpinned by the dollar and by the Federal Reserve as the lender of last resort, and with truly international supply chains. It would lead to the hasty empowering of

the G20, a new global elite, to pull the world away from a potential depression. Even so, the financial crisis's aftershocks would lead to questioning of the euro's very existence, and of governments' ability to protect their citizens' standard of living. It would also confirm China's status as the second superpower of our age, the *other* indispensable nation.

Taken all together, these events make clear that the old world was so sure of itself that it sowed the seeds for many of the challenges we face today, such as China's strategic rivalry, Russian revanchism, NATO's imbalance, the EU's contradictions, and Britain's and America's crises of confidence and identity.

In the 1990s and early 2000s, high on ideological certainty and geopolitical strength, the West did not realize that the walls protecting its citizens were as weak as they were. Emboldened by its success, a new generation of leadership had what it thought were better answers than the last—governors of an empire of liberal democracy. But it was built on an illusion. In 20 years, we have discovered that multilateralism and liberal interventionism are merely convenient, not essential; that the nation-state did not die; that ideology and identity still matter to people; that the globalized economy is out of kilter; and that ultimately, Western dominance is not inevitable.

Now, facing the coronavirus pandemic, we've discovered that economies around the world can collapse by 20 percent overnight because an infectious respiratory illness jumped from a bat to a human somewhere in China.

I spoke with Leon Panetta, the former U.S. secretary of defense and director of the CIA under Barack Obama, and White House chief of staff under Bill Clinton, to understand the perspective of those who served in both eras. In his view, the world is now living through "another reign of Nero," and the U.S. faces a choice in November: "Whether or not we're going to heal this country and put it back on the right track, or whether we're going to continue to be a country in decline, an empire in decline." (A more cynical response might be that Joe Biden himself has been intimately involved in almost every decision of the past 20 years that has contributed to the decline in the first place.)

Some I spoke with argued that any analysis of this era must be careful of overcorrection, to assume that everything from the 1990s and early 2000s has been killed off for good. One senior U.K. government adviser close to Prime Minister Boris Johnson told me that if one was to project forward a few years, it was perfectly plausible that a President Biden would attend a Davos summit committed to the deepening of the global economy. The fundamentals of the international order would have been challenged, but not junked entirely. In effect, in short succession after the end of the Cold War, we would have had the thesis of Western-dominated liberal globalization, the antithesis of Trumpian nationalism and the rise of Xi's China—and, sometime later, the synthesis of the two, which will become the new and more sustainable normal. For the U.K., this vision of a world essentially unchanged remains fundamentally in its national interest, the official said, speaking on condition of anonymity to candidly discuss government deliberations.

Each of the major events that took place over the two decades following the turn of the century changed politics, but took time to feed into the ballot box and into those in positions of power. The same will surely be true of the pandemic. Each event of the past 20 years pierced the

political certainties we had come to take for granted. Watching these certainties drain away, voters in Europe and the U.S. reacted, angry over declining industries, stagnating wages, and open borders. Over time the drip-drip of resentment has given us Brexit and Donald Trump, populism of the left and right—and more recently, new and more forceful liberal countermovements embodied in the likes of French President Emmanuel Macron.

Now the West is being forced through another major crisis that may be bigger in scale and scope than September 11, the wars that followed, the Arab Spring, EU expansion, and the financial crisis. Panetta told me that in the two decades following the 9/11 attacks, successive U.S. administrations—Republican and Democrat—took their eye off the ball, turned inward, and left a vacuum of leadership in the world that adversaries exploited. Instead of developing a strategy for the world that was emerging, the U.S. became trapped in rolling crisis management, reacting and withdrawing and, ultimately, failing to hold rival powers to American lines in the sand. The world today is the consequence. “We paid a price for that,” he said.