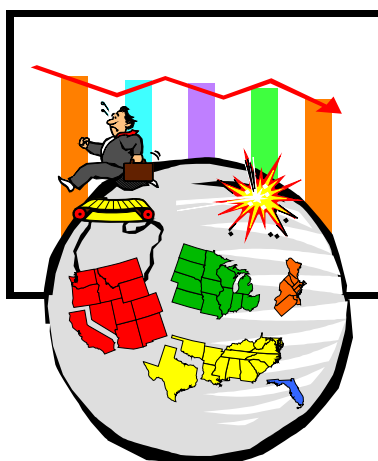


Balkanized America

Role of Federal Government	U.S. Economic Vitality	Threats to U.S. Society	Demand for Maritime Services
Limited	Weak	High	High



Summary

Balkanized America is, in many ways, a world pulling apart. Global politics and relations are troubled by regional and ethnic conflicts. Terrorism strikes with frightening frequency, and increasingly close to home. The U.S. has long since withdrawn from playing an activist role in world affairs. There are no more peacekeeping missions. We involve ourselves only in international forums that serve our narrow, parochial interests. At home, U.S. society has turned inward. The scope of federal government activity has been greatly scaled back to mostly essential economic and security roles. Terrorism and illegal immigration are two such security issues on the minds of the public. At the same time, regional, state and local governments have inherited broad policy and regulatory responsibilities, including environmental protection, previously controlled by Washington. The U.S. economy is lethargic overall, though certain sectors (such as technology, information and entertainment) and geographical regions are strong. Fiscal pressures at the federal level are relentless, owing to slow growth and the heavy entitlement burden of the aging population. U.S. maritime commerce is growing though it tends to be regional and local, given changing trade relationships and the evolution of close-to-market manufacturing and distribution systems. The number of U.S. ports is expanding, as increasing numbers of (richer) states and regions desire their own trade infrastructure. Ports situated in dynamic regional trade zones, such as Miami, are booming. They stand in something of a contrast to the economic status of the U.S. as a whole.

In 2020, the U.S. is an isolationist, inward-looking society. The global economy has failed us and, in the diplomatic realm, we no longer hold global leadership ambitions. The world has grown steadily more dangerous as the tools of terrorism have grown more portable and, at the same time, more invisible. U.S. society itself does not have a clearly shared set of political values or economic goals. Regions, states, and localities have their own agendas, based on local needs and priorities. It is here — and not in Washington — where real political power and economic leverage reside.