

Left Behind

Rate of Globalization	U.S. Economy	Perception of Threat to Security and Quality of Life	U.S. Concept of Sovereignty
Increasing	Weak	Low	Traditional



This scenario is incomplete. What follows is the narrative introduction, sometimes called the future history, of one of the USCG Evergreen scenarios. Its purpose is to introduce the scenario to the reader, provide a story context linking that future to today, and provide background for the endstate. The endstate includes the rich, detailed assumptions about the future that are used for strategic planning.

Summary

The U.S. in the year 2025 is feeling old and weary. Fifteen years of muscular foreign policy and aggressive forward deployment took their toll, and now America has pulled back. The American people no longer want to be the world's cop. They certainly do not want to be going it alone – and that is essentially what the nation had been doing, at tremendous cost, for a decade or more. Ironically, the war on terror has been effectively won – through coordinated special operations and intelligence, not through conventional forces. But the wind-down of foreign entanglements has only made more pressing the domestic problems of the country. The economy is in a permanent state of malaise and people are working longer and harder just to get by. Politicians nibble on the edges of big, hard problems such as social security and entitlements, but fail to forge consensus on long-term solutions. Meanwhile, our schools and

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infrastructure are crumbling. The declining competitiveness of the U.S. has fed the fires of protectionism, which threatens to create even greater problems. Asia is booming and Europe has surpassed us in per capita income. Many of our best and brightest are leaving to pursue their dreams abroad. In this and in many other ways, America feels as though it is being left behind.



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The following are select excerpts from Anthony Gilroy's newly released memoir, "Witness at Sunset: America's Decline in the Age of Asia," published by SONY Doubleday Books (2025). Mr. Gilroy, a native New Yorker, was a U.S. correspondent and editor for The Economist magazine from 2003 to 2024.

Preface: The Journey Inward

I joined the U.S. bureau of *The Economist* in February of 2003, on the eve of the U.S.-led invasion of Iraq, following a seven-year string of assignments in Europe and Latin America. Notwithstanding a sluggish economy still reeling from the dot-com meltdown and the 9/11 attacks, the U.S. was far and beyond the most economically and militarily powerful nation on earth. And we were about to prove this in Iraq – and, really, anywhere else our domestic security or foreign interests were threatened.

This book chronicles two decades of American decline and withdrawal from the leadership position that it held in world and economic affairs – practically without challenge – for 60 years. This has been an extraordinary journey. It may not in the end be a tragic one. For by most important measures, the U.S. is still a great country with an enviable quality of life. But it is impossible to ignore the decline, absolute as well as relative, that the country has experienced in the first two decades of the new century.

America is a nation founded on hope. Every few generations, the social contract that underlies what it means to be an American is renewed. The patriot in me says that a new American renaissance will return the country's sense of vision, pride, shared values and self-sacrifice. The journalist in me (who has spent too much time in the company of caustic Brits) hunts in vain for persuasive evidence that the country has turned the corner on its troubles.

This book is mostly about trying to understand the nature of America's decline. We start with the mood of the country prior to the 2004 presidential election.

The New Face of Terror

The absence of "a second big event" for more than three years after 9/11 perhaps inevitably made Americans complacent about new terror attacks. This was to some extent understandable, especially with the distractions of the Afghanistan and Iraq campaigns, and the general sense that success *there* would go a long way toward ensuring our security *here*. I also feel Americans wanted to believe that the worst was over and that in the future bad things would happen overseas. Covering the 2004 election in the states, I became aware of just how preoccupied Americans had grown with job security, taxes and schools, and how impatient they were for their troops to return from Iraq and Afghanistan.

The illusion that normalcy was just around the corner was shattered on an unseasonably warm evening in March 2005, when a suicide bomber ignited a powerful explosive that ripped through a crowded New York hotel, killing 27 bankers attending an industry banquet. Less than two



months later, it was London's turn. A similar but more powerful explosive device was detonated in an Underground rail station at rush hour. Thirty-four commuters died and dozens more were hospitalized by the direct and indirect effects of the blast. An obscure Al-Qaeda cell immediately claimed responsibility. The third attack came nine days later, in Malaysia. Terrorists affiliated with a fringe Indonesian-based Islamic group gunned down a group of 11 U.S. diplomats and bodyguards. Al-Qaeda communication channels announced with great jubilation that a new, global *jihad* was under way. The next day the new U.S. president made a television address promising a "global, ruthless, and unrelenting campaign to rid the world of the scourge of terrorism."

The campaign was indeed large and involved. Similar to 9/11, the nation was traumatized and Congress quickly acceded to the president's requests for tens of billions more in both traditional and non-traditional expenditures. The grand strategy was three-fold: first, plug remaining holes in the homeland security infrastructure, emphasizing technological solutions wherever possible. Second, beef-up U.S. and allied presence in high-risk target regions. Third, expand, deepen and empower special ops personnel for clandestine actions against terrorist cells abroad. The Pentagon succeeded in keeping this third strategy leg highly secret. The special ops were to be kept absolutely in the black. This was the requirement of our European and Middle East allies (who ultimately played important roles in the undertaking but desperately needed the political cover that blackness provided). It was not known for years later how important the internationalization of the anti-terror effort proved to be.

After 2006, terrorist attacks against Western targets continued to take place in the U.S., Europe and in many corners of the world, but the long-feared WMD hits never materialized. What we were not fully aware of at that time was just how successful was the combination of special operations and intelligence in quietly rooting out terrorist cells. The only thing that became clear over time was the decline in number and severity of terrorist incidents.

Much less apparent was the efficacy of the conventional military buildup and the great increase in the number of service people stationed abroad and/or placed on active duty. As the costs mounted, these commitments came under increasing budgetary and political scrutiny. To assuage concerns, the administration accelerated the withdrawal of forces from Iraq in 2007 and completed the process in 2009, leaving behind a mostly stable but far from democratic country with many issues still to be worked out by the tender Iraqi government. This trend in troop withdrawal continued in other strategic regions (e.g., the Philippines, Indonesia, the Persian Gulf) through 2017.

Heading Home

A turning point in U.S. foreign policy was, of course, the tragic sinking of the 40,000 ton *USS Madison* in 2010 off the coast of Sumatra. To this day it is not clear who was responsible for the sinking of the vessel, although it is commonly believed that the source of the attack was the Jemaah Islamiyah terror organization. *The Madison* tragedy galvanized American opinion against foreign involvements to an extent that was totally unanticipated. The debate before was mostly around cost; now it was about American lives – specifically, the 474 service people who perished on the *The Madison* and the many more young Americans serving in other potentially dangerous foreign venues.



The Congressional hearings that followed *The Madison* tragedy did not go well for the administration, for they revealed a lack of overarching vision and strategy behind the massive armament and troop build-up that had taken place over the past several years. There were scandals, too, involving big contractors receiving billions of dollars to develop complex systems and high-tech armaments that failed in the end to protect a U.S. naval vessel in known hostile territory.

The outcomes of *The Madison* incident, as we all know, were far reaching and profound: significant cuts in military appropriations (particularly those related to expeditionary activities); the refocusing of national security doctrine regarding special operations, intelligence and covert foreign alliance building and, finally, the birth (or perhaps “rebirth”) of neo-isolationism. Americans wanted the homeland secure, but they also wanted a return to prosperity. And the price tag for being “world cop” was no longer politically acceptable.

The Many Dimensions of “Asia’s Century”

The Economist observed in a September 2003 article that notwithstanding two decades of accelerated globalization, the world economy was still very much powered by the “single engine” U.S. economy. Until the end of that decade, that observation was pretty much indisputable. After 2010, however, market demand generated by China, India, Japan, South Korea, developing Asia, and an expanding EU represented an impressive economic counter-force, which would only grow sturdier over the next decade.

China took off, astounding even its most bullish watchers. During the early 2000 decade, it realized average yearly real GDP growth in excess of 10%. This was powered by exports and enabled by financial market reforms, in-bound investment, and a “balanced” exchange rate policy. The latter went a long way to keep exports competitive, but not overwhelmingly so. China clearly worried about angering the U.S. and the EU and their powerful domestic constituencies. The balanced yuan policy also helped satisfy the material aspirations of China’s rising middle class, which could more affordably buy Western imports and even take foreign trips.

Less impressive were the material gains experienced by China’s huge rural underclass, increasing numbers of whom have sought employment in the modern urban sector as farming has grown more corporate and mechanized. This transition has been difficult; we have seen how the government has had to invest substantial sums in urban housing and services to avert problems in the rural-urban migration. Japanese technology (including shipbuilding) and European capital were important ingredients in China’s sustained growth. European financial institutions, notably German banks, forged strategic alliances with Chinese financial institutions, stabilizing and modernizing them at the same time.

While China’s internal market realized its own take-off, the nation aggressively asserted its own economic interests in the Asian region and beyond. Southeast Asian countries from Viet Nam to Myanmar attracted Chinese capital, much of which went into cheap export-oriented manufacturing and assembly operations, infrastructure, and natural resources. With better and higher-wage jobs, Southeast Asia’s own markets have blossomed, much to the delight of Chinese



manufacturers. China itself has invested significantly in Southeast Asian port and trade infrastructure. China has also assumed an increasingly assertive law enforcement role in the region's maritime domain – even in some cases patrolling vulnerable trade lanes against well-armed pirates. (In this sense, China has filled a regional role that the U.S. abandoned after *The Madison* sinking. Following the withdrawal of U.S. forces from Korea, tensions flared between the North and the South, leading China to assume a more assertive role to facilitate economic stability in the region.)

China's influence has extended beyond the region. It is now an outspoken and influential member of just about every official global forum. In the IMO, for example, China is aggressively promoting its particular agenda and its standards. It is noteworthy that the environmental issues so dear to Americans and European have become significantly less important as China and its Asian allies have risen to prominence.

The only thing slowing China-South Asian growth has been the occasional asset bubble-bust cycle, which proved considerably milder than the pan-Asian crash of the late 1990s. China had a very scary couple of years in which growth dropped below 6% and sacked urban workers demonstrated, sometimes violently, to have their jobs returned. Fortunately, the market upturn took care of them before the government had to.

Japan's role in Asia's economic take-off has been very important, if underappreciated. Japan has provided technology, capital and supply-chain know-how and has managed to retain the value they generate in the process. This economic leverage has calmed Japanese nerves over China's long-term intentions, which I personally feel remain an open question. But for now, Japanese firms are so plugged into China that it would seem suicidal for China to take, threaten or suggest hostile actions. Who can doubt that China's grand strategy is to become the world's dominant economic power? That dominance starts with Asia. And Japan is a key piece.

New Life for Old Man Europe

Europe has been the world's most surprising economic success story. While it has naturally not experienced explosive growth à la Asia, it has achieved a respectable level of stability and prosperity on the strengths of the expanded EU market, export and investment into, especially, Asia, and its internal fiscal and welfare reforms. There was perhaps no greater evidence of the EU's success than its offer of membership to Russia. In 2013, Russia formally gained EU membership. Success fed on success. In 2014, the euro eclipsed the dollar as the world's primary reserve currency. In 2018 my European colleagues rang me out of a sound sleep in my Washington home to share with me the fresh report that EU per capita income (not including Russia) had surpassed that of the U.S. (at least on a purchasing power parity basis).

Russia's admission into the EU in 2013 was, in my opinion, the critical catalyst. Russia needed EU investment and job opportunities. The EU needed to replenish its shrinking population base and it needed Russian energy. Capital heading East from Europe helped harvest latent Russian capabilities (human and technological) in basic science and technology. Russia got investment, while Russians got jobs in Europe. European firms saw Russia as a new frontier, a place where an investment environment marked by great possibilities as well as significant risks could result in spectacular returns. For many, the bet paid off.



Spillover effects from the Russian-EU alignment have positively affected some of its former Soviet neighbors. Ukraine has begun to approach its potential as an agricultural exporter. And the Baltics, far ahead of Russia in both EU entry and economic reform progress, have evolved into impressive manufacturing centers, enjoying both world-class technology and global market reach.

Europe's geo-political landscape is still adjusting to these events. NATO exists on paper, but its power and influence has been eclipsed by the expanded EU Defense Force, of which Russia is now an active member. Right or wrong, Europe has decided that there no longer exists a military threat on its eastern border. The EU force is focused on anti-terror, rapid-reaction forces, for regional and extra-regional (especially Africa) deployments. Two such interventions have taken place, successfully, in sub-Saharan Africa in the last five years. Russian military expertise was evident in both cases.

Homeland Economic Insecurity

The year 2016 is generally believed to have been the turning point in the war on terror, but the hard "facts" of the clandestine anti-terror campaigns of those years are still elusive. What we now know is that allied special operations forces conducted more than a dozen major "sweeps" of terrorist command centers in coordinated actions across three continents. During that time, the backbone of Al-Qaeda and its major allies was in effect broken, but the very secrecy of both the tactical operations and military prosecution made for a "silent victory" that would not be known for years to come. Just enough publicity was revealed to allow the leaders of participating countries to reap short-term political benefits. After 2016, terror attacks were small-scale, sporadic and desperate. But no major terror target nation, least of all the U.S., let down its guard over the home front.

The high cost over all those years of supporting large foreign expeditionary forces, homeland security infrastructure, and steadily rising entitlement payments for an aging population left the U.S. economy in a perpetually weak state. Few politicians had the political capital or the personal fortitude to suggest the kind of massive restructuring that was required to bring expenditures into line. True, back in 2005 the Democrats modified the planned Bush tax cuts. But this was not enough. Stronger medicine on both the tax and expenditure sides was required, but the window of opportunity had closed. By 2018 too much structural damage had been done and demand was too weak for tax hikes to be politically viable or economically advisable. The U.S. economy was wrapped up in the gears of a vicious cycle that had been predicted (by myself and others, truth be told) almost a decade earlier. And there was no painless way out.

For policymakers, one of the truly disconcerting and frustrating aspects of the U.S. economy has been its growing disconnection from the global business cycle, especially on the upside. Our productivity has grown stagnant, in part because investment is so sluggish and massive cutbacks in public investment have allowed our industrial and digital infrastructure to grow decrepit. Real borrowing costs are too high for promising startups to affordably access capital. Starved of funding, the quality of our secondary and university education has been slowly but steadily declining over the past two decades, to the point where U.S. educational institutions no longer represent the standards of excellence for the rest of the world.



Our post-college human capital is at risk, too. We cannot take for granted that our best and brightest will be content to build their careers in the U.S. Much has been written in recent months about the phenomenon of young and even mid-career American workers pursuing their professional dreams in the fast-growing markets of Asia and Europe. The opportunities are there, so why not? These are kids who grew up in a global world, are comfortable traveling abroad, and feel no great obligation to stay close to home and commit their careers to a country whose better days may well be behind it. Ironically, perhaps, many though by no means all are first- or second-generation Asian professionals whose parents or grandparents originally came to America for greater freedom of opportunity.

This is not to ignore our enduring strengths or deny that opportunities do exist. U.S. firms still boast leadership roles in many important global sectors, including IT, biotechnology, media and financial services. Our agriculture is also solid; it is an important breadbasket for much of the developing world. But this is not the mid-1990s. We simply do not dominate these industries the way we once did and we have been steadily losing competitive ground in these sectors for a decade or more.

Protectionism and “the New Mercantilism”

I believe that the U.S. in the post-terrorism era would be in a much stronger position to recover its lost vitality if had not succumbed to protectionism. Just as there are no atheists in foxholes, there are no free traders in political foxholes either. Remarkably, between 2000 and 2024, no political party has held the White House for more than a single term. The Green Progressive Party proved to be a one-term phenomenon, too. Free-trade rhetoric was belied by protection for “vital industries,” with the definition of the word “vital” highly tied to the political interests of whatever party happens to be in power. Of course, this was economic suicide long-term, but the short-term economic and political payoffs are always irresistible for troubled politicians.

Protectionism helped Mexico and NAFTA, as higher external tariffs accrued tangible price advantages to regional producers and suppliers. The benefits proved to be substantial – so much so that hundreds of firms that had left Mexico for China and other cheaper countries returned to exploit tariff advantages. Much of the rest of Latin America has struggled with the slow-growing and increasingly protectionist U.S. It is a very mixed regional picture, with firms and companies with strong European and/or Asian ties at a definite advantage. Most of the Caribbean is struggling. In Cuba, hard-liners are running the show and even Europeans are staying away from the island nation’s glorious beaches. As a result, the mini-boom in jobs and income that resulted from the earlier European investment wave in Cuba has dried up. The population is again subsisting in economically precarious circumstances, as evidenced by the increasing outflow of economic *desperados*. Elsewhere in the Caribbean, the situations in some cases are even more desperate and hopeless.

Growth, Resources and the Natural Environment

Economic growth and development have pulled hundreds of million of people (especially in Asia) out of poverty. Unfortunately, the price of progress in terms of environmental costs, while not fully known, is thought by most scientists to be very high. Global warming, for one, is pretty



much fatalistically accepted. If there ever was before, there is no longer a strong global constituency for conservation and environmental stewardship. The U.S. has not promoted this credibly since the 1990s. And while regional standards in the EU area remain high relative to the developing world, EU leaders have failed to convince the rest of the world to invest in sustainable strategies for development. (Call me a cynic, but I get the sense that European business leaders are deathly afraid of upsetting Asian governments, and that European leaders have gotten the message to back-burner the green agenda – indefinitely.)

The problems of the global environment are not simply global warming or ozone layer depletion. Population growth and economic development have substantially increased demand for land, water and proteins. Fish stocks are under constant attack. Practically all international protocols governing the ocean commons have been effectively abandoned. This means that resource defense defaults back to a nation's EEZ. As the U.S. has experienced, the threat from foreign poachers is large and growing, and the astounding growth of industrial fish farming has made the marine resource protection all the more challenging.

The U.S. is also learning the hard way that it cannot protect the ecology of its coastal areas while it is taking a passive position on inland resource and infrastructure management. Along both coasts, unchecked agricultural development is polluting inland and coastal waterways. This problem is compounded by aging fuel storage and sewer systems in coastal areas, a problem clearly linked to declining infrastructure investment and inconsistent government oversight and regulation. All of this is at least partly the result of the fiscal crisis that has hung over governments for most of the last two decades.

As if our man-made problems are not bad enough, the Pacific part of the world has reason to be concerned about future earthquakes and volcanoes, given the striking increase in activity in the "Ring of Fire" region, from New Zealand, to the Aleutians and down along the Pacific coast of South America. Here in the U.S., the 2017 eruption of Mt. Rainier turned out to be more deadly and costly than the 1980 eruption of Mount St. Helens. Despite reasonably good advance warning, 76 people died and hundreds of homes were destroyed, as hot lava and rock debris from Rainier's eruptions melted snow and glacier ice and triggered mudflows that swept down all of the river valleys that head on the volcano. Some debris flows traveled as far as Puget Sound and within a few days ash had drifted across North America. The world is on notice that earthquakes and tsunamis, as well as volcanic eruptions, will become more common if in fact the Ring of Fire is heating up. The U.S., for its part, is on notice that its first-responder and emergency infrastructure are inadequate, as the emphasis under Homeland Security policies has been weighted heavily on disaster *prevention*. The *response* side – especially in relation to natural disasters – has been degraded and now may need greater attention.

The "Hunkering Down" of America

The high-water mark of the American "empire" has seemingly passed. The U.S. has forsaken its once dominant place on the world stage. The nation is still powerful and influential, with legacy strengths and qualities. But the U.S. people now accept that the nation cannot unilaterally enforce its will on the basis of its military and economic might. The world is too big, complex and dangerous. And we are coming to grips with the reality that our freedom, democracy and free



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enterprise values may never be appreciated by the new, emerging powers of the world. This, I observe, is a fundamental change in the American psyche. And it is not necessarily a bad thing.

Much worse, possibly, is the fact that “hunkering down” has not led to a consensus around national priorities. Successive presidents have failed to effectively lead and set a clear direction. Congress more than ever appears under the thumb of interest groups – industry, senior citizens, states and municipalities, labor, environmentalists, and dozens more, including now the new student and young professional worker organizations that have been formed to offset the alleged rise of “geezer tyranny” (in particular, the crushing costs of social security and senior healthcare). The terms “sacrifice” and “investment” have practically disappeared from our political lexicon.

Amid persistent infighting, little is getting done in terms of setting a long-term agenda for the country. Meanwhile, the industrial infrastructure is crumbling and our schools and institutions are no longer top-of-class. The protectionist tide of recent years is symptomatic of the defeatism that has set in. As they launch their careers, young people with talent and ambition are increasingly drawn to overseas opportunities.

The real tragedy is not that the U.S. is slowing down and is no longer the single dominant global power. Rather, the tragedy is that years, even decades, of high consumption, low savings and practically no sacrifice have left the country in an economic and political funk that successive presidents and leaders have not been able to cure.

