

America's Decaying Standards

WASHINGTON – In the United States, the reliability of some critical public services is now questioned, owing to revelations that indicate insufficient resources, sloppy supervision and worse. In recent weeks it transpired that Southwest Airlines, otherwise known as a successful model of an inexpensive yet efficient and profitable air carrier, kept in active service many aircraft with structural flaws. According to the federal rules that regulate airlines, these planes were unsafe and should have been grounded until all repairs had been performed and inspected. So, how did this serious breach of safety standards involving several airplanes happen? Why is it that the Federal Aviation Administration (FAA) inspectors did not catch and report this problem? After all, their function is precisely to avoid situations in which the flying public is put at risk.

Well, we do not know exactly, and the issue is now under investigation. Yet, the digging prompted by the Southwest issue indicates that this is not just about one airline. It would appear that the whole FAA inspection system has –and has had for years– systemic flaws. After the negative publicity from the Southwest issue, many other airlines, including American Airlines, one of the largest carriers in the world, have suddenly come forward revealing problems –previously undetected and unreported– of potential lack of safety, grounding aircraft (with the resulting cancellation of scores of flights) and proclaiming the need to upgrade standards and procedures.

Whatever the eventual findings as a minimum it appears that the federally mandated inspection regime deteriorated to a dangerously low level. According to many testimonies, (some of them prompted by public congressional hearings), overtime, from a hand on regime in which inspectors really inspected the system slowly turned into something approaching self-

certification by the airlines. The FAA inspectors did little inspecting. At least in some instances, zealous FAA employees were discouraged from being thorough with their job; in part, it would appear, because their superiors wanted to maintain a cozy relationship with the airlines they were supposed to check. The ongoing investigation in the end may come up with specific offices and/or individuals responsible of negligence or worse. But the real issue highlighted by this air safety scandal runs much deeper and is much more difficult to assess, comprehend and fix.

And the problem is this: at what point, in any given context, lower standards, ignoring rules, underperformance and cutting corners become implicitly normal and acceptable? The slippery slope of standards that slowly but progressively deteriorate is very difficult to detect as it takes place. We need a major scandal such as the Southwest Airlines issue to make people focus and understand how deep the flaw is.

Of course, perfection is not achievable. Mistakes will be made. Incompetence or corruption cannot be eliminated. But the striving to keep reasonably high standards can be encouraged and pursued only to the extent that societies on the whole remain convinced that there is a self-evident value in upholding such standards. When, for whatever reasons, this belief is no longer ingrained, then less than good is fine. Later on, less than less is also acceptable. Lower standards progressively become the new norm and nobody really minds.

And we have ample evidence that the FAA story of relaxed attitudes about airlines inspections is not an isolated instance affecting a small slice of the federal bureaucracy. They are part of a new culture of neglect. We have recurring instances of serious contamination in the food supply. Inferior hygiene standards in hospitals, mixed with high rates of human error, make some hospitals real health hazards—reminding us of the 1800s when people literally were sent to die in a hospital, because of objectively primitive and

unsanitary conditions. Imported items, (witness the cases of contaminated food, medicine and toys with excessive levels of lead made in China) are not inspected because of lack of manpower and other resources. Not to mention the gigantic Katrina disaster of 2005 and all that it revealed about lack of adequate investments to prevent the disaster and the national fiasco in handling the consequences, revealing incompetence and inadequate systems.

At a different but quite related level, we see lowered standards when America accepts the progressive decay and inadequacy of basic infrastructure as an unavoidable fact of life. Of course, the country's infrastructure (be it electric power lines, roads and bridges, airports or public schools) is not crumbling across the board, (although some pieces are). It is just getting old, (average age of bridges: 40 years), due to systemic underinvestment. Some components are revealing dangerous signs of stress; while in some instances ports and airports cannot withstand a degree of traffic that is much greater than the one they are designed for. But the widespread attitude is that, unless we have a major disaster, we can patch pieces of the system here and there and leave more radical and expensive interventions to others at a later date.

And this is the issue at hand. Somehow, elected representatives and decision makers established (even if only implicitly) a consensus whereby deteriorating systems are alright. By the way they set priorities, they decided that insufficient, aging infrastructure –the essential hard core that determines the functionality of a modern society– is not worthy of immediate attention. By implication this means that inadequate, potentially unsafe, systems are acceptable. Less than good is the new standard.

This attitude of denial and procrastination can be justified politically by saying that, while these investments in principle may be good, right now we are facing other problems requiring immediate attention and huge

expenses. Today we have a national housing crisis, along with other economic hardships for people who need help and support.

All true. The fact is that there are always competing needs for limited resources. However, what is tragically missed in this absorption in the crises of the day is the understanding that a country hobbled by inferior infrastructure and lower standards progressively loses ground. It underperforms; while it produces less at a higher cost, with less added value to be handed out to anybody.

But the strategic long term implications of progressive deterioration are ignored –precisely because they are long term– and very few pay attention. Case in point, Senators Chris Dodd, democrat of Connecticut and Chuck Hagel, republican of Nebraska, in a bipartisan effort last year introduced a bill that would institute a National Infrastructure Bank, with the objective of transforming the approach to the financing of new infrastructure with the net result of getting more funds more quickly for needed projects.

As they indicated in a preface underscoring the true urgency of this legislative intervention:

“According to the American Society of Civil Engineers, the current condition of our nation’s major infrastructure systems earns a grade point average of D and jeopardizes the prosperity and quality of life of all Americans. (Bold added).

According to the Federal Transit Administration, \$21.8 billion is needed annually over the next 20 years to maintain and improve the operational capacity of transit systems.

According to the Department of Housing and Urban Development, there are 1.2 million units of public housing with critical capital needs totaling \$18 billion.

According to the Federal Highway Administration, \$131.7 billion and \$9.4 billion is needed respectively every year over the next 20 years to repair deficient roads and bridges. The average age of bridges is 40 years."

"According..." Well, the list of pressing national needs and related costs enumerated as justification for the legislation creating the National Infrastructure Bank goes on and on...

So, major infrastructure in the US get a "D average" and very few really see this as a crisis. It is a sad coincidence that the legislation, targeting among other things deteriorated roads and bridges, was introduced on August 1, 2007: the very same day in which the I-35W bridge over the Mississippi collapsed in Minneapolis; causing a few fatalities and a national outcry. ("How can this happen in America?" "Is this the Third World?"). This was a sad but telling coincidence that should have prompted action. But it did not. Predictably, after the initial outcry, the Minneapolis accident was treated as an isolated event and not as an indicator of pervasive neglect and underinvestment in critical national assets.

True, there is talk in this political season about new investments in infrastructure. But, even assuming that the candidates are serious and believe that this is a national priority, in general the problem is not addressed in its proper framework. Infrastructure upgrades are sold to the voters mostly as a jobs program, as an expedient to absorb unemployment; thus obscuring that it is an urgent intervention in its own right; no matter how soon it can generate how many jobs.

Along the same lines of the proposed Senate legislation, the findings and recommendations of a blue ribbon bipartisan commission, sponsored by the Center for Strategic and International Studies, (a high profile Washington think tank), focused on infrastructure repair and upgrade have received a

brief, polite hearing. Financier Felix Rohatyn and former Senator Warren Rudman, co-chairs of this panel, proposed urgent action, not that different in its essence from the Dodd-Hagel proposed legislation. But these warnings, while they received a polite hearing, have yet to stir anybody into action.

And yet, it would be hard to find any economist or technical expert who would discount the extremely high relevance of up to date, efficient infrastructure as a vital component of a country's overall productivity and competitiveness. Hundreds of studies have indicated how, in the context of emerging economies, China's massive investments in infrastructure have contributed to its growth and advantage vis-à-vis India. Indeed, it is more difficult for India, lacking substantial improvements to its road and rail networks, to develop a vibrant manufacturing economy. The current system is inadequate to efficiently move supplies to producers and goods to markets.

Of course, the US is not India. And America is still one of the most competitive economies of the world. But not forever; by some kind of divine right. Efficiency and resulting competitiveness are the outcome of continuing investments, including large investments in infrastructure –at the same time the skeleton and the circulatory system of the society and the economy. The Rohatyn Rudman panel calculated a need for additional infrastructure investments of 1.6 trillion in the next several years. They also proposed a system to facilitate the financing of these projects, so that the profit motive would counter political and bureaucratic inertia.

We have an election coming up. And then, come January 2009, a new Congress and a new president will have to deal with the war in Iraq and other maddeningly complex and potentially explosive issues, such as health care costs and pension reform –all this in the context of a huge federal deficit. Because of this likely scenario, infrastructure upgrades will be way

down in the to do list; despite the obvious fact that so much depends on its quality and that any improvement will have positive long term effects on everything else.

Unfortunately, this procrastination is in itself an expression of diminished national vitality. The financial burdens necessary to fund tomorrow's national vitality and competitiveness appear too large. These investments with long term benefits would take away from us the limited financial resources that we want to use now. While understandable to a degree, this attitude is myopic. If it is not going to be reversed, in the long term it can only amount to decay.

While all this appears very gloomy, there is a positive side. If indeed the decay of societal vibrancy is the result of shifting priorities and changes that determine what is important, new awareness can reverse these changes. Unlike what happens within the realm of biology, the lowering of societal standards is not an unavoidable physical aging unavoidably leading to eventual death. Now, what causes this new frame of mind is really hard to say. But it does not get established because of a law of nature. Thus, it is not preposterous to believe that new awareness and ensuing new attitudes can reverse this trend. It takes, however, the courage to look at the facts, understand their long term implications and take action.

Political campaigns should provide the perfect opportunity to discuss and determine national priorities. However, this campaign is mostly about what how to achieve a more equitable reallocation of existing resources through revitalized social programs favoring the needy. But what is missing in the current debate is the open recognition that any reallocation postulates existing (better yet, growing) resources. The problem for America in a few years will be that, because of underinvestment –including underinvestment in an aging and underperforming national capital plant– there will be fewer resources to allocate to anybody.

April 4 is NATO's Birthday

By Paolo von Schirach

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WASHINGTON – Tomorrow is April 4, another birthday for the North Atlantic Treaty Organization, or NATO. The Western Alliance linking North America to Europe was created on this very day in 1949, as a manifestation of a shared western concern about Soviet expansionism. Of course, it was declared at the time that the Alliance was aimed at the preservation of common values uniting America and Europe. But, in truth, it is was the expression of a shared fear. However, when the major threat to Western security—the USSR— disappeared, it was decided to keep this instrument created to counter it. So, NATO survived the end of the main East-West conflict; but the reason for its existence is less clear today, as perceptions about what constitutes a threat to all perhaps are not really shared by all members.

As a result of a reduced sense of purpose, as this “NATO birthday” passes unmentioned and unnoticed, this institution has become less relevant and less vibrant. With the old existential threat gone, unless all members can clearly define and agree upon what is the new threat and thus the new mission, there is an open question as to why we should keep this Western security system. In other words, if the US and Europe do not seriously believe that only by pooling their resources they can face the major challenges of this era, this security instrument, created long ago, in totally different historic circumstances, may have become obsolete.

In principle, while we no longer worry about the defunct

Warsaw Pact, the Alliance declares that there are other threats facing the West. And the NATO members seem to indicate that cooperation among them is the best way to deal with them. Furthermore, NATO has added many East European members (with more to come) since the end of the Cold War. But what does this prestigious club do these days?

For starters, NATO is committed to prevail in the ongoing war in Afghanistan.

Yet, the NATO commitment to Afghanistan looks a bit like the Italian farce of *"Armiamoci e Partite"*, something like *"Let Us All Get Our Weapons...and You Go"*. Lip service to the enterprise is more widespread than real action. In other words, not many NATO partners seem to regard this conflict as critically important. Hence minimal support to the effort. Of course, not all Allies are unserious. Some are very, very serious –and their determination is matched by their commitments. But, for many others, this is at best an opportunity to show the flag with the deployment of token contingents, in order to be able to say, at some future date: "we were there".

This uninspiring reality is the expression of a lack of clearly defined and truly shared interests and objectives. However, this fuzziness about first principles is neither discussed nor recognized. Public NATO events are all about the proclamation of high minded principles, with a clear unwillingness by most to point out the mismatch between the reaffirmation of shared principles and the resources allocated to protect them.

Again, the case of Afghanistan, the most important ongoing conflict involving NATO, is illustrative. Indeed, after the recent Bucharest NATO summit, at least one media account presented French president Sarkozy's announcement that France will provide additional 700 troops to Afghanistan as something close to heroic. Just when things were looking dire, here comes the unflinching ally to save the day. *With a mere 700*

hundred extra soldiers? In a context in which military commanders on the ground have indicated that they need at least additional 7,500 to 10,000 troops? And this is the best contribution coming from an Alliance that ties together the western developed and rich world?

Of course, 700 hundred French soldiers is a lot better than nothing which is pretty much what many of the other Lion Hearts of NATO (including those whose contributions number anywhere from 25 to 250 or 300 soldiers) are prepared to do. And so this French pledge is rated a real triumph that shows how seriously the Allies take the threat coming from a still violent Afghanistan. But this way all parties are complicit in creating and selling make believe, with the result of a level of non seriousness transparent to all, especially to the potential enemies who can have a practical illustration of what most western countries are prepared to contribute to the common security. Once again, the Emperor has no clothes.

Now, if NATO were convinced that this enterprise –Afghanistan– is a mistake, it could change course and conclude that it wants nothing to do with it. It could withdraw its contingents and leave it to the messy Americans (and may be a few other misguided souls) to deal with it. But to proclaim a continuing commitment and do so little to meet the challenge is border line farcical. If nothing else, it shows the lack of a shared definition of a common security threat. Alliances are based on shared interests. This lack of action is an indication that a serious debate on what these interests might be is overdue.

In truth, US Secretary of Defense Robert Gates recently indicated that this lack of European follow on in Afghanistan (in terms of resources and troops) could potentially trigger a crisis between Europe and the United States. Yet, there has been no serious reaction from Europe to this rather open US threat which amounted to saying: “If you are not serious about follow on, then we should look at the whole concept of collective western security and see if it is still viable”.

While this might have been the beginning of a serious conversation, it has become subsequently clear that the US, on second thought, decided not to push this crucial reappraisal. The Bush administration backtracked. In its last few months in office, it does not have the stomach to start a fight with those who, at least nominally, are Allies. So, for the time being, the US accepts a lack of commitment to the common security on the part of many Europeans as a fact of life that cannot be reversed. While the desire to avoid a crisis can be understood, at some point the members will have to redefine what this Alliance is about. And if they will come to the decision that it no longer serves a valid purpose they can dissolve it.

Whereas, the display of verbal support and little action in Afghanistan indicates at least lack of clarity on the part of many members as to what their interests are. This is a NATO war and NATO is not performing. This Alliance has become soggy. It is mostly a transatlantic forum for meetings followed by generic platitudes, with not much in terms of muscle (military power) and willingness to use it.

Oddly enough, at the recent April Bucharest summit the Allies recognized that NATO has huge unmet needs. The Bucharest communiqué most amazingly admits that:

“We must ensure that we provide the forces required for our operations and other commitments. (Bold added). *To that end we will continue efforts to be able to deploy and sustain more forces. We are committed to support the NATO Response Force by providing the necessary forces, and to improving the availability of operational and strategic reserve forces for our operations. We will seek greater domestic support for our operations, including through improved public diplomacy efforts.*

We will further develop the capabilities required to conduct the full range of our missions and to remedy specific

shortfalls. We will work particularly at improving strategic lift and intra-theatre airlift, especially mission-capable helicopters and welcome national initiatives in support of this work, as well as addressing multinational logistics.(....).We will continue to enhance the capability and interoperability of our special operations forces. Supported by the defense planning processes, we will enhance our efforts to develop and field the right capabilities and forces, with the greatest practicable interoperability and standardization. This will be furthered by improving trans-Atlantic defense industrial cooperation”.

Now, this open and detailed admission of lack of basic resources and capabilities, (number of forces, airlift, logistics and interoperability), is truly startling. This is NATO. “The” defense apparatus that for decades has been regarded as the backbone of western security. Reading this, the proverbial visitor from outer space might surmise that NATO must be a brand new thing. And so planners are just now getting started to create the tools and the networks that will make future action possible.

If we believe that NATO is still relevant as a security instrument in this entirely different post Cold War context, it needs real teeth. The admission that, today, a few years into a NATO led conflict in Afghanistan, NATO members have to **“provide the forces required”**; while NATO needs public diplomacy efforts to convince –I suppose–the political leadership of member countries that they need to do this and pay for this, is an indication that without a clear formulation and agreement about shared security interests the Alliance is becoming more and more form without substance.

The Bush administration can be rightfully blamed for its recklessness, unilateralism, misguided policies, the Iraq enterprise etc. It can also be blamed for not consulting Allies and not listening to them. But it can hardly be blamed for the falling defense budgets of many European countries and

for the token commitments of many to what should be a shared effort. Defense budgets and military preparedness are a function of perception. If Europe believes that its current efforts are about right, so be it. But if this so, is there still a role for this Alliance?

In a few months President George Bush will be out of the scene, for good. But the lukewarm feelings about the need to provide for defense that we notice in many European countries are likely to stay. This does not augur well for Afghanistan, or for dealing with any future threat for that matter. If the members have developed different views about security needs, a rediscussion about the role of this Alliance is in order.