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Article 1.

Al-Ahram Weekly

Revolution and reform

Abdel-Moneim Said

3 - 9 May 2012 -- The shock of the Arab Spring still has people in Arab political, intellectual and even academic circles stunned. One reason for this is because no one predicted it. The intelligentsia talk of tyranny, the marriage of wealth and power, and a groundswell of discontent, but the idea that these could engender a grassroots revolution seemed out of the question.

Secondly, in terms of its magnitude, means and complexity, the revolution was beyond even the wildest dreams -- or nightmares -- of the ruling elites, as well as of the people, who rushed to take part in the countries where revolution erupted or, if they live elsewhere, are watching and waiting to see how other situations pan out on the ground.

This is not to suggest that the ruling elites were entirely out of touch. Within these circles there were groups of reformists who were able to understand and explain the social, political and economic discontent. In Egypt alone there were 222 instances of various forms of protest in 2004, and they soared to 690 in 2009. The following year, there was an average of five protest actions a day. Logically speaking, a revolution was not farfetched.

There were two approaches to the problem: one reformist, the other conservative. The reformists believed that revolution could be averted if the authorities stemmed the upward curve of anger by implementing serious political reforms. These reforms had to provide the mechanisms for the peaceful rotation of authority and they had to open horizons for the participation of younger generations who had passed from infancy to adulthood seeing the same faces in power, faces that had long since lost their traditional "paternalistic" appeal with the advent of a new age of high-speed technology, continuous social change, and constant contact with the world abroad, where everyone obtains a share of power and wealth.

Perhaps the reformists' aims were too ambitious. For example, in Egypt, after many years Mubarak finally agreed to the idea of amending the constitution; however, by the time the amendments were done, little had changed.

The conservatives had ruled out the possibility of revolution. "Democracy" and public participation were elitist demands, they argued. These demands were voiced by people from classes of society that were familiar with and wanted Egypt to resemble Western countries. They did not represent the

greater portion of the Egyptian people. Therefore, there was no "demand" that required a "supply". Even in the social protest movements, that were gaining momentum at the time, the focus was economic. Bread took priority over freedom, the conservatives argued. But, surprisingly, when revolution did break out, it was in Tunisia and Egypt, which were better off than many other countries, according to all known economic growth indexes. It is not true that, in Egypt at least, there was a massive imbalance in the distribution of wealth. On this score, the available figures tell us that Egypt was fairer than Brazil, China, South Africa, Turkey, India and even the US. The paradox is that the improvement in economic circumstances was essentially one of the engines of revolution. The hungry do not make revolutions. Revolutions are made by people who have had a taste of wealth and feel that it is their right to take part in the decisions on how it should be distributed. That right can only be obtained by ending the existing monopoly over power. A third reason the Arab Spring came as a surprise was the impression that had prevailed -- and that continues to prevail in Arab countries that have not yet been hit by revolution -- that the upheavals could not escalate to revolution due to some intrinsic socio-political nature in respective Arab countries. In fact, this "nature" is often the fabrication of the media and staged receptions of the head-of-state, although sometimes, too, it is the product of a historic development, a tribal composition, or the dominance of a particular sect, none of which fall into the category of "intrinsic". In like manner, politicians and the intelligentsia had misgauged the "masses". These have turned out to be rational and aware; they know how to tell the difference between a situation they do not like and the alternative, which could be either chaos or the Islamist option. The alternative is pretty much what happened in the countries of the Arab Spring, which either fell into the grips of chaos or into the grips of the "Islamist option," or both. In Egypt, these days, in spite of the fact that the Muslim Brotherhood now controls the legislative authority, it is determined to stage "million man" marches in Tahrir Square so as to assert its monopoly over the "legitimacy of the square" and add this to its monopoly on "parliamentary legitimacy". However, if what the liberals used to call the former regime's "bogeyman" is a prediction come true, the majority of the people were of the opinion that they would be no worse off if given a chance to, at least, put that "bogeyman" to a test. What

this boils down to is that the "masses" -- or the people -- had been looking for the right to choose while the ruling elites were in quandary over what appeared to be a futile choice and, therefore, decided to stick to routine as long as everything seemed fine.

But conditions were far from fine. In countries where economic progress was lower than it should be when wealth was being distributed, and in countries where there was enough to go around even if it did not go around equitably, the question was never about the size of the shares, but about the distribution process itself. Reformists realised this, which is why they urged regimes to get ahead of the curve of social and political discontent. The conservatives in power always felt that this was asking too much and that there was no need to rush. Moreover, they felt that too much reform would only whet the appetite for rebellion and revolution.

In all events, rebellion and revolution did happen in some countries, and stirred unrest of varying dimensions in others. Then the revolutions began to stare in disbelief at the consequences. In Egypt, today, one detects a sense of major remorse because the revolution let down the people, first by not being more connected with them and then by abandoning the field to reactionary forces that had never sought revolution but that once it happened swooped in to snatch the fruits just when they were ripe enough to pick. The reformists failed to persuade their governments to get a step ahead of the momentum for change by introducing meaningful reforms. The price to pay would not be unreasonable, especially since the reforms would propel the countries forward without exposing them to an unsustainable onslaught of violence and chaos. Unfortunately, whether the reformers were part of the regime or had remained apart from it so as to retain their independence, they met the same fate. When the regimes fell, they too fell victim to the revolution's wrath because they were also blamed for the faults of the regimes they had been trying to reform. The revolutions, themselves, exacted a high toll, both in terms of dead and wounded and in terms of different forms of material and moral destruction. But this was not the only consequence. The original revolutionaries suddenly woke up to find not only that they had hit the hard ground of reality but also that they were being expelled from the arenas of the revolution that they had originally created but that were now being taken over by a political movement that hails from the distant past and that has

difficulties in coming to terms with the present and in dealing with today's world. Reform and the reformers fell, and the revolution and the revolutionaries have faded. Has backwardness won?

Article 2.

The Daily Beast

Egypt Clashes: A Revolution Hangover

Dan Efron

May 6, 2012 -- For three straight days, a spasm of violence has gripped Cairo, leaving 13 people dead and scores wounded. Egyptian authorities declared a curfew in parts of the city over the weekend and put large numbers of armored vehicles on the streets of several neighborhoods. On the surface, the protests are about the disqualification of a presidential candidate on technical grounds.

But even as the demonstrators held up posters of their banned candidate, the Salafi preacher [Hazem Salah Abu Ismail](#), others described a broader reason for the protests: a rising fear that the military council which has ruled Egypt since the ouster of Hosni Mubarak more than a year ago will refuse to cede power to civilian leaders next month.

The council, known by its acronym SCAF (Supreme Council of Armed Forces), is assuring Egyptians that its rule will end on June 30, after the second round of presidential elections. Since SCAF assumed power 14 months ago, Egyptians have already elected two chambers of Parliament. The presidential vote, which starts later this month, will largely determine the outcome of the Egyptian revolution.

But a series of moves by SCAF over the past year, including aggressive crackdowns against demonstrators and the arrest of some SCAF critics, has carved deep suspicions in the minds of many Egyptians.

When the council announced last week that it might hand over power this month, if the first-round results from the presidential elections are decisive, what many Egyptians heard wasn't an offer to return to the barracks earlier than scheduled but a subtle declaration that SCAF might cede control—or might not at all.

“We should not have allowed the military to take over because they are not qualified for this. They try to divide the nation and rule it,” said Mosen

Gaver, a demonstrator at Tahrir Square, where thousands gathered over the weekend.

Abu Ismail had been one of the frontrunners in the election campaign, a deeply conservative Islamist who held up the Iranian revolution as a model and vowed to end the peace treaty with Israel.

“Egypt is in the surgery room at the moment, and in surgery you see ugly things.”

The Electoral Commission overseeing the presidential vote [disqualified him last month](#) after it determined that his late mother had held American citizenship, which under Egyptian law made him ineligible to hold the country’s highest office.

But not all the demonstrators in the weekend protests were Abu Ismail supporters. Some described themselves as liberals—the very people who had launched the successful revolt against the Mubarak regime more than a year ago.

Many of them now feel disappointed at the course the revolution has taken. Said Sadek, a political sociologist who participated in the protests that brought down Mubarak last year, says in retrospect, Egypt’s Arab Spring was “a mix of a popular revolution and a military coup.”

“Egypt is in the surgery room at the moment, and in surgery you see ugly things,” said Sadek, who teaches at the American University in Cairo.

He didn’t rule out the possibility that the SCAF would try to find some pretext to postpone the presidential vote or overrule the results. But he also said the council fears the waves of protests that such a move would generate.

After several disqualifications by the Electoral Commission, the election seems to have boiled down to a race between two frontrunners: Amr Moussa, who served for years as foreign minister in Mubarak’s regime, and Abdel Moneim Abol Fatouh, a former member of the Muslim Brotherhood who is running as an independent.

Sadek said the alignment meant liberals, who captured only a minority of seats in Parliament, had effectively been left powerless.

Will the rest of Egypt’s protesters end up in the same predicament?

Article 3.

The Washington Post

Syrian cease-fire violations deepen gloom over options for ousting Assad

[Joby Warrick](#)

May 6 -- Western hopes for salvaging a nearly [four-week-old cease-fire in Syria](#) have all but evaporated, as new assessments raise fresh doubts about the prospects for the U.N.-brokered accord and the chances for removing the country's repressive leadership in the near term, diplomats and intelligence officials say.

Even as U.N. officials tout a declining death toll and [increased numbers of international monitors](#) in the country, reports from inside Syria point to a determined, but lower-profile, effort by President Bashar al-Assad to crush remaining pockets of opposition in defiance of international agreements, the officials said.

That effort in recent days has included quietly rounding up hundreds of university students in the country's largest city, Aleppo, and the stabbing deaths of several suspected opposition figures by pro-Assad hit squads, U.S. officials said. Anti-government activists reported renewed shelling by government tanks on Friday in the city of Douma, near Damascus, as well as snipers firing at protesters from rooftops.

Intelligence assessments, meanwhile, show scant progress by Assad toward implementing any of the six steps of the U.N. peace plan he nominally accepted in March. Under the accord, the Syrian government was to withdraw troops and heavy weapons from Syrian cities and allow humanitarian aid to reach civilians in hard-hit areas.

"None of the six points are being honored," said a senior administration official privy to internal U.S. assessments of the 14-month-old uprising. "The fact that there appear to be fewer deaths [in recent days] is a good thing, but so far, this is far from a success."

White House shifts stance

Assad's refusal to honor his commitments is behind a pronounced shift in the Obama administration's stance on the peace plan in recent days. While stopping short of calling the accord a failure, White House officials are suggesting publicly and privately that it is time to consider a new approach.

“If the regime’s intransigence continues, the international community is going to have to admit defeat,” White House press secretary [Jay Carney](#) [told reporters Thursday](#). Referring to continued violence by pro-regime forces, Carney added: “It is clear, and we will not deny that plan has not been succeeding thus far.”

Carney’s comments contrasted with a more positive assessment Friday by U.N. officials, who insisted that the peace plan developed by [Kofi Annan](#), a former U.N. secretary general who is serving as the joint U.N.-Arab League envoy for Syria, remains on track.

“A crisis that has been going on for over a year is not going to be resolved in a day or a week,” Annan’s spokesman, Ahmad Fawzi, told reporters in Geneva. He pointed to U.N. efforts to triple the number of truce monitors in the country, from about 50 to 150 or even 300 in coming weeks, and noted that Syria has pulled back some of the tanks and other heavy weapons that Assad has used to pound opposition strongholds.

“There are no big signs of compliance on the ground. There are small signs of compliance,” Fawzi said. “Some heavy weapons have been withdrawn. Some heavy weapons remain. Some violence has receded, some violence continues. And that is not satisfactory.”

U.S. and European officials have accused Assad of using the cease-fire as a delaying tactic, allowing him more time to root out the opposition and resupply his forces. The few observers inside the country since mid-April have documented violations of the cease-fire by both sides, though the daily death toll has dropped from as many as 100 to about 20, according to U.S. officials who track the violence. U.N. officials estimate that as many as 9,000 people have been killed since the uprising began in March 2011. Assad’s ability to continue the crackdown in the face of sanctions and international condemnation has led Western and Middle Eastern intelligence agencies to revise their assessments for how long his regime can survive. While they are confident that Assad will eventually fall — an outcome viewed as inevitable as the country’s economy hurtles toward collapse — many analysts now predict that the regime will survive into 2013, barring a surprise development such as a military revolt or assassination. The gloomier assessments are predicated on the belief that the country’s fragmented opposition will have no significant outside help,

other than money, emergency aid and perhaps light weapons from Arab neighbors.

A more confident Assad

In interviews, intelligence officials from two neighboring Muslim countries said they saw a more confident Assad consolidating his recent military wins and preparing to dig in, fully expecting that he can outlast both the rebels and his international opponents.

“Our view now is that Assad will survive 2012 unless there’s a big surprise,” said one of the officials, who agreed to discuss his country’s intelligence assessments on the condition that neither his name nor country be revealed. “He has cleaned up Homs and Hama. Damascus is quiet. The Druze and Christians haven’t turned against him. Even the flow of refugees we’re seeing confirms that he is succeeding.”

A second official described Assad as “more confident because he feels he is in control.”

The security forces and elite military units have remained loyal to Assad so far, faithfully snuffing out pockets of resistance, the official said.

Limited supply of currency

Like Assad himself, the loyalist forces rely for financial support on [Syria’s dwindling cushion of hard-currency reserves](#), which is being used to finance the assault on rebels. While those reserves are emptying out quickly, the accounts appear sufficient to keep the army supplied for months, the second official said.

“Eventually, Assad will leave, but it will take more time and more blood,” the second official said.

Current and former U.S. officials largely share the assessment that Assad’s removal is far from imminent. But some expressed optimism that the apparent failure of the cease-fire could be a clarifying event that could lead to stronger action by the international community. Having secured Russian and Chinese support for the cease-fire, Obama administration officials are expected to press Moscow and Beijing to increase pressure on Assad by backing an arms embargo and other punitive measures.

[Mona Yacoubian](#), a former State Department official and consultant on the Middle East, said Russia is key to any strategy for punishing an Assad regime that until now has had few incentives for honoring the terms of the cease-fire.

“The question is whether the Annan plan, and the consensus it embodies, can now be leveraged to bring Russia and China along on the international effort to exert consequences on the Syria government,” said Yacoubian, a senior adviser on the Middle East for the Washington-based Stimson Center. “If those consequences included a withdrawal of Russian support for Syria, that could be truly significant.”

Article 4.

NYT

Lead, Follow or Get Out of the Way

[Thomas L. Friedman](#)

May 5, 2012 -- Dubai, United Arab Emirates -- TRAVELING in the post-Awakening Arab world, I have been most struck by how few new leaders have emerged from the huge volcanic political eruption here. By new leaders, I don't just mean people who win elections, I mean leaders — men and women with the legitimacy and the will to tell their people the truth and build the coalitions required to get their societies moving forward again.

Discussing this problem with Arab friends, I am always quick to note that my own country — not to mention Europe — has a similar problem. There is a global leadership vacuum. But in the Arab world today it is particularly problematic, because this is a critical juncture. Every one of these awakening countries needs to make the transition from Saddam to Jefferson without getting stuck in Khomeini.

Why has the Arab awakening produced so few new leaders? Partly because the electoral process is still playing out in places like Egypt and Yemen, and partly because it hasn't even begun in places like Libya and Syria. But these are technical explanations. There are deeper factors at work.

One is just how deep the hole is that these societies have to confront. Who will tell the people how much time has been wasted? Who will tell the people that, for the last 50 years, most of the Arab regimes squandered their dictatorship moments. Dictatorship is not desirable, but at least East Asian dictatorships, such as South Korea and Taiwan, used their top-down authority to build dynamic export-led economies and to educate all their

people — men and women. In the process, they created huge middle classes whose new leaders midwived their transitions from authoritarian rule to democracy. Arab dictatorships did no such thing. They used their authority to enrich a small class and to distract the masses with “shiny objects” — called Israel, Iran and Nasserism to name but a few.

Now that the dictators are being swept away, Islamist parties are trying to fill the void. Who will tell the people that while Islam is a great and glorious faith it is not “the answer” for Arab development today? Math is the answer. Iran could afford to get stalled in Khomeini Land, because it had oil to buy off all the contradictions. Ditto Saudi Arabia. Egypt and Tunisia have very little oil, and both need loans from the International Monetary Fund. In order to secure those loans, their rising Islamist politicians are going to have to cut subsidies and raise taxes. But they are used to giving things away, not taking things away. Are they up to this? Who will tell the people that, yes, the way capitalism came to the Arab world in the last 20 years was in its most crony and corrupt mutation, but that the right answer now is not to go back to Arab socialism, but better capitalism: better market-based economics, emphasizing expanded exports, but properly governed by the real rule of law and targeted safety nets. Who will tell young Arabs that they have as much talent as young people anywhere? Look at the worldwide trend their uprisings sparked. But many of them still lack the educational tools to compete for jobs in the private sector and, therefore, need to study even harder — because the days of easy government jobs are over.

And then there is the Sunni-Shiite divide in Syria, Bahrain and Iraq, or the Palestinian-Bedouin divide in Jordan, or the Muslim-Coptic Christian divide in Egypt. These sectarian divisions have prevented national leaders from emerging — and no Arab Nelson Mandela or Martin Luther King Jr. has been able to rise above them to heal the rifts. Without such leaders there is too little trust in the room to do big, hard things together, and everything that these Arab societies need to do today is big and hard and can only be done together. Who will tell the people that Arab societies have no time anymore to be consumed by these sectarian divisions, which just drive everyone into their own ghettos or out of the region altogether? The Arab world has steadily been losing its diversity, “and without diversity there is no tolerance,” says Hassan Fattah, the editor of The

National, Abu Dhabi's best newspaper. And without diversity, new ideas are harder to spark.

The new-generation royals in Morocco, Jordan and the United Arab Emirates, who do have the legitimacy to pull people together and drive change, are probably the most effective leaders in the region today.

Burson-Marsteller just published [its annual Arab Youth Survey](#), which found that more young Arabs said they would like to live in the United Arab Emirates than any other Arab state, because of how it has built Dubai and Abu Dhabi into global hubs and job engines.

Leadership matters. Education reformers will tell you that three consecutive years of a bad teacher can hobble students for years, while just one year of a highly effective teacher can catch them up or vault them ahead. The same is true of leaders. Pushing out the autocrats in Egypt, Yemen, Tunisia, Libya and, maybe soon, Syria is necessary. But it is not sufficient. This region doesn't only need to get rid of the old, it needs to give birth to the new — new leaders able to tell hard truths and build broad domestic coalitions to implement them. It is not happening yet. Who will tell the people?

Article 5.

NYT

In Sudan, Give War a Chance

Gérard Prunier

May 4, 2012 -- Addis Ababa, Ethiopia -- LESS than a year after [South Sudan](#) declared its independence, it appears headed for war once again with its northern neighbor, [Sudan](#). At the same time, marginalized northerners are rebelling against the government of Sudan's president, [Omar Hassan al-Bashir](#). The international community has called for a cease-fire and peace talks, but the return of violence is not necessarily a bad thing. Soldiers killing one another in war would be far less devastating than thousands of women and children starving to death while waiting for a negotiated peace that will never come.

Mr. Bashir's government cannot be trusted. It has for years systematically betrayed its agreements — signing dozens of treaties and then violating them. Paradoxically, an all-out civil war in Sudan may be the best way to permanently oust Mr. Bashir and minimize casualties. If a low-intensity conflict rages on, it will lead to a humanitarian disaster.

South Sudan seceded from the rest of the country last year in what once seemed a radical solution. But the conflict has continued. This is because Sudan's wars have for too long been mistakenly seen as a result of tension between a Muslim north and a Christian south. According to this logic, separating them would bring peace.

But this logic was flawed. Sudan's recurring wars don't stem from religious conflict but from the Arab government's exploitation of various non-Arab groups on the country's periphery — including the southern Christians and predominantly Muslim groups like the Darfuris in the west, the Bejas in the east, the Nubians in the north and the Nuba in Kordofan. These peripheral regions have been exploited by Khartoum since the 19th century. But until recently, the South was the only region aware of this exploitation because it was neither Arab nor Islamic.

The rest of the country lived for more than 150 years under the illusion that it shared fundamental values with the Arab center. It was only when black Muslim soldiers were sent south to kill their black Christian compatriots in the name of Islamic purity that they began to realize that Islam did not give them any advantage in terms of education, health and economic status over the "heathens" they were ordered to kill.

The American-sponsored comprehensive peace agreement of 2005 was supposed to cure Sudan's endemic conflict, but it used the wrong medicine. The agreement was signed by only two sides: the Muslim north and the Christian south. That left fully one-third of the Sudanese people — the African Muslims — without a political leg to stand on. And it is that forgotten third that is now fighting the Sudanese government because, after years of serving as its house servants and foot soldiers, they have come to realize that they will never be anything but second-class citizens, despite their Islamic faith.

Although the Arab world has been shaken by a series of upheavals, Sudan has remained the odd man out. Islamists continue to rule Sudan after 23 years of failure. They promised to end the civil war but instead militarized

the country, killed more than two million people, ruined the non-oil economy, gutted civil liberties and gagged the press and academia. After losing the war (and the north's oil resources), they realized they had no plan B. Their only recourse was to vilify African Muslim rebels as traitors, denounce southern Christians as instigators of the Muslim revolt and promise more repression.

Whenever foreign leaders demand greater respect for human rights or peace talks, Sudan always agrees, because agreeing makes the international community happy. But we forget too quickly. A year ago northern Sudanese forces invaded the disputed town of Abyei on the eve of South Sudan's independence; they later agreed to withdraw, but they never left. The status quo is not working, regardless of what American and United Nations officials might believe. Mr. Bashir recently referred to the black leaders of South Sudan as "insects" and insisted that Sudan must "eliminate this insect completely." For those who remember Rwanda and the racist insults hurled by Mr. Bashir's janjaweed militias during their brutal attacks in Darfur, his vile words should be a wake-up call. Indeed, without some moral common ground, "negotiations" are merely a polite way of acquiescing to evil, especially when one's interlocutors are pathologically incapable of respecting their own word. And in the case of a murderer like Mr. Bashir, there is no moral common ground.

Sudan has now reached its point of no return. Many Arabs across northern Sudan have become fed up with the jingoistic frenzy now being deployed by their exhausted tyranny and are quietly waiting for a chance to join the revolt begun by non-Arab Muslims.

The rebels battling Mr. Bashir's government are waging a real battle for freedom, and their de facto alliance with southern Christians could finally bring Sudan's endless conflict to a close. War is a tragic affair, but the brave Sudanese men who have chosen it as a last resort deserve to be allowed to find their own way toward a Sudanese Spring, even if it is a violent one.

[Gérard Prunier](#), the former director of the French Center for Ethiopian Studies, in Addis Ababa, is the author of "Darfur: A 21st Century Genocide."

The Washington Post

An economic boom ahead?

[David Ignatius](#)

May 5 -- With so much talk these days of America's decline, it may sound strange to ponder the prospects for an American economic boom a decade or so from now. But that's the thrust of two new studies, which have me thinking like Dr. Pangloss, Voltaire's caricature of optimism.

These analyses predict the repair of two of America's greatest economic vulnerabilities in recent times — dependence on foreign energy, with the threat of supply disruption, and the decline of the manufacturing sector in the face of lower-cost foreign competition. Both problems are on the way to being reversed, the analysts argue.

First, the case that America is entering a new era of energy security: My expert here is Robin West, a friend who is chairman of PFC Energy, a Washington-based advisory group. He argues in a series of recent reports to clients that, because of the rapid [expansion of oil and gas production from shale](#), America is likely to become by 2020 the world's No. 1 producer of oil, gas and biofuels — eclipsing even the energy superpowers, Russia and Saudi Arabia.

West explains that the natural-gas boom will mean a dramatic change in energy imports and, thus, the security of U.S. energy supplies. He forecasts that combined imports of oil and natural gas will fall from about 52 percent of total demand in 2010 to 22 percent by 2020. The totals are even more impressive if supplies from Canada are included.

“This is the energy equivalent of the Berlin Wall coming down,” contends West. “Just as the trauma of the Cold War ended in Berlin, so the trauma of the 1973 oil embargo is ending now.” The geopolitical implications of this change are striking: “We will no longer rely on the Middle East, or compete with such nations as China or India for resources.”

Energy security would be one building block of a new prosperity. The other would be the revival of U.S. manufacturing and other industries. This would be driven in part by the low cost of electricity in the United States, which West forecasts will be relatively flat through the rest of this decade,

and one-half to one-third that of economic competitors such as Spain, France or Germany.

The coming manufacturing recovery is the subject of several studies by the Boston Consulting Group. I'll focus here on the most recent one, "[U.S. Manufacturing Nears the Tipping Point](#)," which appeared in March.

What's happening, according to BCG, is a "reshoring" back to America of manufacturing that previously migrated offshore, especially to China. The analysts estimate that by 2015, China's cost advantage will have shrunk to the point that many manufacturers will prefer to open plants in the United States. In the vast manufacturing region surrounding Shanghai, total compensation packages will be about 25 percent of those for comparable workers in low-cost U.S. manufacturing states. But given higher American productivity, effective labor costs will be about 60 percent of those in America — not low enough to compensate U.S. manufacturers for the risks and volatility of operating in China.

In about five years, argue the BCG economists, the cost-risk balance will reach an inflection point in seven key industries where manufacturers had been moving to China: computers and electronics, appliances and electrical equipment, machinery, furniture, fabricated metals, plastics and rubber, and transportation goods. The industries together amounted to a nearly \$2 trillion market in the United States in 2010, with China producing about \$200 billion of that total.

As manufacturers in these "tipping point" industries move back to America, BCG estimates, the U.S. economy will add \$80 billion to \$120 billion in annual output, and 2 million to 3 million new jobs, in direct manufacturing and spin-off employment. To complete this rosy picture, the analysts forecast that in about five years, U.S. exports will increase by at least \$65 billion annually.

Hold on, Dr. Pangloss. Those are just economists' estimates. What do real manufacturers say? Well, BCG has some new numbers on that, too. In April, the consulting firm released a survey of executives at 106 U.S.-based companies with annual sales of more than \$1 billion. Thirty-seven percent of them said they were planning to reshore manufacturing operations or "actively considering" the move. Among larger companies with sales of more than \$10 billion, the positive response rose to 48 percent.

Talking about American decline has become a national sport among policy intellectuals. The country still has severe political problems, but the numbers in these new studies make me wonder if some of the deep pessimism is misplaced.