

The Washington Post

Where Are the Leaders?

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By David Rothkopf
Sunday, March 29, 2009

You wake up in the morning and once again the financial weather report calls for the Apocalypse followed by brief showers of despair. Seeking a ray of hope, you turn on the television and settle in to watch a Capitol Hill hearing. There in the hot seat is the man who holds the entire U.S. economy in his hands. And he looks like Harry Potter.

You listen, eager for new ideas, but somehow much of what he says seems dispiritingly predictable. Is this the best America can produce? Aren't great crises supposed to bring forth great men? Did President Obama really just compare Timothy Geithner to Alexander Hamilton? We need Roosevelt and Churchill. Even watching Obama at times, it seems that we've elected -- despite their smarts and earnestness -- a government of stumbling technocrats whose solutions either fall short or go too far. It's enough to make you want to pull the covers back over your head.

Go online, meanwhile, and you find the HTML version of the French Revolution, with left and right calling for poor Tim to be strung from a lamppost. You actually start feeling sorry for the guy. Arianna Huffington snipes that "the issue isn't his delivery, it's what he's delivering." Nobel Prize-winning economist Joseph Stiglitz concludes that Geithner's plan "amounts to robbery of the American people." Next you find Connie Mack, Republican congressman from Florida, fulminating that "quite simply, the Timothy Geithner experience has been a disaster. . . . America needs and deserves a Treasury secretary who can truly lead us forward."

On that point, at least, he's right. We do need strong leadership. The world is in chaos. There are riots from Greece to China. Iceland has collapsed, and Mexico teeters on the edge. Pakistan is broke, melting down and awash in nukes. Yes, the stock market soared with Geithner's toxic asset plan, but didn't he and Obama dismiss Wall Street's response when the first version of the bank bailout landed with a thud last month? Don't we hate Wall Street? Obama and Geithner subsidize hedge funds on Monday and come back with heavy regulations on Thursday. What gives?

Gradually it becomes clear. This is not just a global economic crisis. It's a global leadership crisis. Obama is still finding his footing, Gordon Brown is on his way out, Hugo Chávez is nuts and Wall Street management is larcenous. Isn't there someone somewhere with decent values, a firm hand on the tiller and at least one big new idea? Where have all the leaders gone?

Tim Geithner, love him or hate him, is only one illustration of the problem. Everywhere you look, it seems that the men and women in positions of power are receding. The closer you look, the smaller they get. Once there were titans running the financial and business worlds, lions of the legislature, great statesmen astride the global stage, individuals who weren't just victims of history but who bent it to their wills. Or maybe it's just that people in the rearview mirror appear larger than they really were.

But there is the president of the United States sitting in the same "Tonight Show" seat that Paris Hilton and Lindsay Lohan once occupied. And just ask the heads of the Big Three automakers or of the big banks who were hauled down to testify before Congress how it feels to be a captain of industry today. So it's left to a nebbishy comic from New Jersey, the host of a fake news show, to stand in as the nation's moral conscience and call out those responsible for the collapse of journalistic, political and economic values in America.

The problems go beyond just the quality of leaders today, extending to nearly every one of the alphabet soup of institutions they purport to lead worldwide. Already, expectations are low and sinking for the upcoming meeting of the G20 in London. This is due in part to the First Law of International Meetings: The amount of leadership that comes out of any meeting is in inverse proportion to the number of leaders attending.

In this case, the G20 is already too large; in fact, 26 delegations will gather in London. But beyond the unwieldy size, there are more rifts than there are delegations, rifts over whether there should be big coordinated stimulus programs, a new reserve currency or a new financial architecture. All the meeting is likely to produce is a photo op, a schedule of future meetings and a promise to pump some money into the International Monetary Fund -- a promise the participants might find hard to keep.

How did we get here? In hindsight, the sequence of history is clear. After Vietnam and Watergate and oil crises and the failures of Eurosocialism in the 1970s, many people bought into the idea of government as the problem. The efficient markets would tell us what and who should succeed. Here in the most powerful country in the world, Republicans and Democrats alike bought into the philosophy. The values of business -- profit above all, wealth as the prime measure of success, short term over long term -- became society's values. We came to expect too much of our business leaders and too little of our political ones.

Then it all came undone. Bubble after bubble burst, in emerging markets, technology and real estate. The gap between the richest and the poorest started to rival historical extremes. During the past few years, the world's most important leader, the U.S. president, became reviled and disrespected. And as this latest crisis has unfolded, the myth that the people in charge knew better collapsed faster than an over-leveraged investment bank. The result has been a leadership void.

So if we face a leadership deficit that rivals our economic deficit, who's going to bail us out of it?

Certainly people and ideas will ultimately fill this void, and institutions will emerge reshaped by them. The question is when? Even as we search for leaders to follow, we must recognize -- especially as we are weighing the initiatives of today's would-be leaders -- that even though great leadership happens in real time, we often fail to appreciate it except in retrospect. Despite FDR's unprecedented legislative output in his first 100 days, including 14 major pieces of legislation and a bank bill that was turned around in mere hours, he was hammered by H.L. Mencken and other commentators as being out of touch. Even Churchill spent much of the 1930s frustrated and on the fringes of power.

But gradually, answers do emerge in times like these. As Daniel Roth recently wrote in a perceptive article in Wired magazine, tough times force-feed innovation, while good ones often cultivate complacency. The Depression produced inventions such as television and nylon, and it refocused IBM into an eventual computing colossus. The recession of the early 1990s gave birth to software giants and the first Internet companies. The bursting of the dot-com bubble led to Apple's reinventing itself and the entire music industry with the iPod. Individual business leaders from Thomas Watson to Steve Jobs came to the fore or reemerged in these times as well, much as a new generation of political leaders was defined by the Depression and World War II.

In each case, the leaders who succeeded looked beyond the crisis, beyond old ways, and found something new. They kept their eye on the post-crisis world.

This tumultuous moment has also thrown up some names of people who may be on to something, who may be leading the way for the leaders of this era. Last week, Ratan Tata unveiled the Nano, India's "people's car," which, for a \$70 down payment and \$2000 overall, can deliver an automobile to poor populations. Tata is already struggling to keep up with a demand for more than 1 million vehicles a year. Chilean Finance Minister Andrés Velasco earned scorn four years ago when he insisted that his country set aside its huge copper surpluses for a rainy day. Now that the rainy day has come, he is one of the most highly regarded figures in

Latin America.

Here in the United States, there is Barack Obama. At a time of great crisis, there are invested in him -- as they were in Roosevelt -- the hopes of a nation and of the world. He has embraced the example of Lincoln, surrounding himself with powerful, independent-minded advisers. But as we watched his news conference last week, and as we listen to Geithner's testimonies and see the administration's economic team in action, we have to wonder: Will they emerge as the leaders we need, with new ideas, courageous enough to shape new institutions? The record so far is mixed.

Obama has made missteps in his first two months, and we can only guess whether they are due to his learning curve or his predisposition. The president's economic team is so uniformly drawn from one time and place -- Bob Rubin's farm team -- that they look like a poster child for the early warning symptoms of groupthink. Geithner & Co. have floundered in breaking free of the ideas that dominated in the 1990s, but they have also been bold about reintroducing government's role where it must be greater. Thus far, there is as much to worry us as there is to comfort us. Soon, we will have to judge this crew and, if they fall short, demand change yet again.

But to paraphrase Roosevelt, Obama can only be as great a president as the people let him be. If citizens had turned on Roosevelt early, he would have faltered, along with the nation's recovery. Because what is often lost in such discussions is the idea that leadership implies collaboration. We get the leaders we demand and thus deserve. (As the United States and England were making Roosevelt and Churchill, Germany and Italy were making Hitler and Mussolini.)

Lately, it feels harder to live up to our share of the bargain. Imagine if partisanship, impatience and short-sightedness make it impossible for this new cast of leaders to have a full chance to define this new era. It is worth remembering that prior to their greatest successes, Lincoln and others as diverse and illustrious as George Washington and Mohandas Gandhi were written off as failures.

In the end, a big part of the answer in our quest for leadership resides with the American public. We are the ones who will embrace the ideas and empower those who act on them. We are the ones who will decide what we accept or demand as the proper role of government, of markets and of America in the world. This will require more reason than emotion, more patience than impulse, more focus on core values than on economic value creation, more of a long-term view and less focus on instant gratification. After all, our wrong choices in these arenas helped create our leadership vacuum in the first place.

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