

Rising Middle Class Provides Hope for Long-Term Peace

I had the pleasure of seeing a presentation recently by Herbert E. Meyer, who served as special assistant to the director of central intelligence and vice chairman of the CIA's National Intelligence Council during the Reagan administration. Meyer is widely credited with being the first U.S. government official to forecast the Soviet Union's collapse—a forecast for which he later was awarded the U.S. National Intelligence Distinguished Service Medal, which is the intelligence community's highest honor. Meyer has authored several books including “[How to Analyze Information](#)” (Storm King Press, 2010), “[Real-World Intelligence](#)” (Storm King Press, 2001) and “[Hard Thinking](#)” (Storm King Press, 1993).

Meyer helped to “light up the radar screen” for Ronald Regan, gathering intelligence on upcoming trends so that our nation could prepare for upcoming changes, or even work to modify the future if we did not care for the trends. Good intelligence allows us to see the future clearly and accurately, but it is difficult to gather intelligence unless you know which clues to look for.

Meyer provided his viewpoint on the major demographic, economic, political and social trends occurring in the world and their impact on Western civilization as well as the investment opportunities that arise if you understand these trends.

Meyer noted that the individual has become the central element of Western civilization. We value the individual, separation of church and state, human rights, property rights, economic rights, the rule of law and education. The individual has a say in government, and government helps to provide protection and a stable financial system under a system of reasonable taxation. This type of environment helps to release the entrepreneurial spirit and leads to great economic, educational and social advances. Our transition to this modern world took time and was painful.

Meyer indicated that the Islamic world is making a transition to the modern world, but these types of transitions are not always quick and tend to be violent. We had many civil wars, revolutions, and protests in the Western world as the center of power shifted from the church and monarch to that of the individual.

The growth of the middle class is the key to the transition. One and a half billion Muslims are in the process of integrating the principles of their faith with the modern world. As families move out of poverty and develop a sense of hope for the future and concern about themselves and family, they look for ways to improve their lives through education, work, household formation, etc. Meyer feels that the Islamic world is in the process of becoming modern.

The 9/11 attacks in New York and Washington helped to push our nation's involvement in the Middle East. One can debate whether we should have invaded Iraq in 2003, but we can't turn back the hands of time. Once we sent our troops into Iraq and helped overthrow the government, Meyer believes we made a critical mistake by pulling our troops out. Though politically difficult, the U.S. forces provided a stabilizing element, especially if everyone knew that we were committed to staying.

We continue to maintain a military presence in Germany and Japan, even though World War II ended 70 years ago. We have around 40,000 troops in Germany and 50,000 troops in Japan. The military helped to stabilize the region during and after the reconstruction. Today, we still have over 28,000 U.S. troops in South Korea and have maintained a force there since 1957. We may compete with South Korea economically today, but certainly not militarily. Who knows what would have happened to these regions should we have removed our troops? The likelihood of a war decreases with the rise of a middle class.

The terrorist attacks in Paris last week certainly has turned our focus back onto the civil war in Syria and the Islamic State of Iraq and Syria (ISIS). The attack seems to have united global sentiment and may bring major nations together to deal with global threats posed by ISIS.

Our initial reaction may be to isolate ourselves, but it is important that we take a long-term view. We need to work to assimilate any refugees and immigrants that come to our nation. Multiculturalism, in which people settle but do not integrate into the local society, may lead to problems over time. This type of separation seems to foster economic and social segregation.

As I will discuss in my next blog posting, global fertility rates and life-spans are changing the demographic composition of the world. If you understand how the world is changing, you can react and benefit from the change.

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