

Western institutions of late have hardly draped themselves in glory. The United States struggles to underwrite its debts and needed investments in education, research and development, and infrastructure. Mismanagement of the euro zone threatens the European Union. Then again, Americans did give Obama a fresh mandate. And German Chancellor Angela Merkel, assuming she wins reelection in the fall, might ease demands for European austerity while encouraging closer fiscal and political integration.

And remember a few years ago, when observers fretted that the China model might pose a competitive alternative to liberal governance? Now economic growth, the basis for the Chinese regime's legitimacy, has slowed. Social media reveal growing disgruntlement over corruption. And the opaque 2012 leadership transition introduced a new team much like the old one, offering few signals of transformative reforms anytime

soon. Russia's Vladimir Putin, likewise, appears a weaker figure today. As in China, autocracy is not well positioned to build a modern, knowledge-based economy.

Meanwhile, no Latin American countries are deserting democracy. Malawi and Senegal in the past year underwent peaceful political transitions. Myanmar's government has launched reforms and released political prisoners. Regardless of the actual extent of respect for democratic institutions, which in some nations is deteriorating, virtually every regime the world over at least pays lip service now to liberal values, confirming their universal sway.

**ECONOMY**

**Muddling through**

The global economy in 2013 looks poised to continue muddling through. Assuming America's

**How Is the World Doing?**

Current History's report card on global trends at the start of 2013.

**B-**

**Politics:**

In the Middle East morass, liberal institutions will take time to develop. Yet passions there refute the notion that civil liberties and public accountability are less than universal values. Meanwhile, the EU still coheres, and Barack Obama is still president.

**C**

**Economy:**

America continues to experience middling growth; a debt crisis hangs still over Europe. Growth is stronger in the developing world, but China and India both need reform. Inequality, within nations and across the global population, is a growing concern.

**C+**

**Security:**

Civil war in Syria, provoked by the regime's slaughter of civilians, could spread instability. Violence persists in parts of Africa. War with Iran remains a possibility. Nevertheless, armed conflict in most places continues to decline and disappear.

**B**

**Development:**

The world has taken major strides in reducing poverty. Parity in primary school enrollment for girls is an important milestone. More attention now should be devoted to poverty prevention: in particular, by expanding access to health care.

**D**

**Resources:**

International cooperation against climate change has made little progress, even as global warming's costs and consequences grow. Technological advances are making oil and gas more accessible, but this could reduce incentives to develop alternatives.