**Leading From Within**

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I DON’T know what action will be sufficient to roll back both the Islamic State of Iraq and Syria, or ISIS, and Russia’s president, Vladimir Putin, but I do know what’s necessary. And it’s not “leading from behind,” which didn’t really work for President Obama in Libya, and it isn’t simply leading a lonely and unpopular charge from in front, which certainly didn’t work for President Bush in Iraq. It’s actually reviving America’s greatest strategy: *leading from within*.

The most effective leadership abroad starts with respect earned from others seeing us commit to doing great and difficult things at home that summon the energy of the whole country — and not just from our military families. That is how America inspires others to action. And the necessary impactful thing that America should do at home now is for the president and Congress to lift our self-imposed ban on U.S. oil exports, which would significantly dent the global high price of crude oil. And combine that with long overdue comprehensive tax reform that finally values our environment and security. That would be a carbon tax that is completely offset by lowering personal income, payroll and corporate taxes. Nothing would make us stronger and Putin and ISIS weaker — all at the same time.

How so? First you need to understand how much Putin and ISIS have in common. For starters, they each like to do their dirtiest work wearing a mask, because deep down, somewhere, they know that what they’re doing is shameful. The ISIS executioner actually wears a hood. Putin lies through his poker face.

Both seem to know that their ideas or influence are unsellable on their merits, so they have to impose them with intimidating force — “convert to puritanical Islam or I will chop your head off,” says ISIS, and “submit to Russia’s sphere of influence or I will invade you and wipe out your regime,” says Putin.

Both are clearly motivated to use force by an intense desire to overcome past humiliations. For Putin, it is the humiliation over Russian weakness that followed the breakup of the Soviet Union in 1991, which he once described as “the greatest geopolitical catastrophe” of the 20th century, which left millions of Russian speakers outside the Russian state. And for ISIS, it is how modernity has left so many Arab/Muslim nations behind in the 21st century by all the critical indices of human development: education, economic growth, scientific discoveries, literacy, freedom and women’s empowerment. Preventing Ukrainians from exercising their free will is Putin’s way of showing Russia’s only real strength left: brute force. Beheading defenseless American journalists is ISIS’s way of saying it is as strong as the United States. Both are looking for respect in all the wrong places.

Both Putin and ISIS are also intent on recreating states from an overglorified past to distract their peoples from their inability to build real economies — ISIS calls its recreation the “caliphate” and Putin calls his “Novorossiya,” or New Russia (or Ukraine’s Russian-speaking southeast). Both are also intent on rewriting the prevailing rules of the international system, which they see as having been drawn up by America or the West to advantage themselves and disadvantage Arabs or Russians. And, very significantly, they both are totally dependent on exploiting high-priced oil or gas to finance their madness.

The way you defeat such an enemy is by being “crazy like a fox,” says Andy Karsner, the former assistant energy secretary in the last Bush administration and now the C.E.O. of Manifest Energy. “We have one bullet that hits both of them: bring down the price of oil. It’s not like they can suddenly shift to making iWatches.” We are generating more oil and gas than ever, added Karsner, and it’s a global market. Absurdly, he said, the U.S. government bans the export of our crude oil. “It’s as if we own the world’s biggest bank vault but misplaced the key,” added Karsner. “Let’s lift that export ban and have America shaping the market price in our own interest.”

But that must be accompanied by tax reform that puts a predictable premium on carbon, ensuring that we unite to consistently invest in clean energies that take us beyond fossil fuels, increase efficiency and address climate change. Draining our enemies’ coffers, enhancing security, taxing environmental degradation — what’s not to like? And if we shift tax revenue to money collected from a carbon tax, we can slash income, payroll and corporate taxes, incentivize investment and hiring and unleash our economic competitiveness. That is a strategy hawks and doves, greens and big oil could all support.

If the price of oil plummets to just $75 to $85 a barrel from $100 by lifting the ban, and we have implemented tax reform that signals our commitment to clean growth, we inevitably weaken Putin and ISIS, strengthen America and show the world that we deserve to lead because we’re back to doing big, hard things at home that once again differentiate us — not just bombing in distant lands and pretending that’s getting the job done.

Wouldn’t it be refreshing, asked Karsner, if we showed up at the global poker table, across from Putin and ISIS,  “holding four aces, instead of just bluffing with a pair of 2’s?”