

CARNEGIE COUNCIL *for Ethics in International Affairs*

Political Order and Political Decay: From the Industrial Revolution to the Globalization of Democracy

Public Affairs, Global Ethics Forum TV Series

Francis Fukuyama, Joanne J. Myers

Transcript

Introduction

JOANNE MYERS: Good morning, I'm Joanne Myers, and on behalf of the Carnegie Council, I'd like to welcome you all here to this Public Affairs breakfast program.

Every now and again, somewhere in the world, an individual comes along, and whether by word or deed, knowingly or not, ends up creating a major astronomical event. Frank Fukuyama did just that. In 1989, with the publication of his legendary essay, "[The End of History](#)," which was later expanded into the *New York Times* bestseller, *The End of History and the Last Man*, professor Fukuyama suggested that with the [collapse of communism](#), the world might not just be seeing the end of the [Cold War](#), but that there remains no legitimate alternative to liberal democracy.

This thesis seemed to bring to a final conclusion the idea that democratic capitalism represented the final stage in the evolution of governing regimes, and the universalization of Western liberal democracy as a final form of human government. From that moment on, the argument went, it will be liberal democracy and capitalism forever.

With this assertion, Professor Fukuyama sparked global recognition and provoked controversy and debate, becoming an intellectual superstar overnight. He has been luminous ever since. Today he is here to discuss the second volume of his long-awaited epic study of politics in the state, entitled *Political Order and Political Decay: From the Industrial Revolution to the Globalization of Democracy*.

The earlier text, *The Origins of Political Order: From Prehuman Times to the French Revolution*, was a comparative study of how tribally organized societies in various parts of the world and at various moments in history transformed themselves into societies with political systems, institutions, and accountability [*For Fukuyama's Carnegie Council talk on this book, please go [here](#).*]. *Origins of Political Order and Political Decay* brings the story up to date, taking up the essential question of how to build prosperous, well-governed, liberal democracies.

This is addressed by analyzing how a strong state, the rule of law, and democratic accountability developed and evolved. In writing about why some states succeed and others collapse, Professor Fukuyama cautions us about the state of our own dysfunctional politics, illustrating how democratic states can also decay and decline.

While Professor Fukuyama's writings are always of interest, the themes in this particular volume

resonate even more strongly with the Carnegie Council, as we celebrate our [Centennial](#). You see, [democracy and its challengers](#) is one of our Centennial themes, and democratic accountability is an integral part of this topic.

Professor Fukuyama, we know that your analysis of political development has, in times past, always provided an important contribution to our understanding of the ethical and moral challenges of establishing a well-functioning state. I am confident that your discussion today will be no exception.

With this in mind, I ask you to please join me in giving a very warm welcome to one of the most influential public policy intellectuals of our time, Frank Fukuyama.

Remarks

FRANCIS FUKUYAMA: Thank you very much, Joanne, and Joel. It's really a pleasure. The Carnegie Council has allowed me to launch the last several of [my books](#) here, and so it's really a pleasure to be with you today.

Let me just start by talking about the world in 2014, because it's pretty bad, as far as I can see.

We've had an unprecedented degree of instability in the world, but it seems to me that the world is actually divided into two very different parts. In one part, which is Eurasia, you have two large countries, Russia and China, that are centralized, stable states, that are authoritarian and that have territorial ambitions. In many ways, this is, in my view, actually the bigger, long-term challenge for the United States and other Western countries in dealing with that. But it's kind of a familiar problem of the sort that we saw in the 19th and 20th centuries.

But there's another part of the world that begins in North Africa, goes through sub-Saharan Africa, into the Middle East, and then all the way out to the borders of India, in which you've got kind of the opposite problem. You don't have states, you don't have basic, political order. The main task in that part of the world, in places like Libya, Syria, Iraq right now, is actually reconstituting some basic form of state. American foreign policy—and actually this is really how I got into this whole two-book project in the first place—is actually centered around, how do you create viable institutions? Ultimately, you're not going to have peace in places like Syria, Iraq, Afghanistan, unless you have states that can keep order.

They will hopefully be democratic as well, but the "stateness" is really key, and I think, unfortunately, the United States has discovered that we don't really know how to do this as an outside power. This is a problem that I call, "getting to Denmark," where Denmark is actually not the country Denmark, but it's kind of a symbol for a well-governed, peaceful, prosperous, uncorrupt place. We want to turn Afghanistan, or Somalia, or Yemen, into some version of Denmark, and we're just not making very much progress.

It turns out that I actually had a visiting professorship at the University of Aarhus. I spent some time in Denmark. It turns out the Danes don't know how they got to be Denmark either. So this is what started this long, historical effort to uncover the origins of some basic institutions, and that's kind of the context for both of these books.

I want to begin with three definitions because this is key to understanding what I consider to be a modern political order. I think that a political system, a modern, liberal democracy really has to have three sets of institutions.

The first is the state. The state was defined by the sociologist [Max Weber](#) as "a legitimate monopoly of force over territory." This is a good definition, because it distinguishes states from NGOs, trade unions, clubs, a lot of other social organizations. But the key is actually that word "force"—that states are about power. It's about the ability to generate power and to use it to keep the peace, to defend the community against outsiders, to enforce laws, to provide basic services, like health and education.

There's a second distinction among states, that I think is actually the really critical one in the modern world—that is the difference between what Weber called a "patrimonial or traditional state" and a modern state.

A modern state is one that seeks to be impersonal. That is to say, it tries to treat its citizens equally as citizens, without regard to whether they're friends, or cousins, or in-laws of the ruler. There's a distinction between public and private interest, in which the state is supported to serve the public interest, and not the private interest of the people running it.

A traditional, patrimonial State is one in which that distinction doesn't exist, and where basically the state is run for the benefit of the insiders. Now, in a traditional monarchy, that's why the word "patrimonial" comes up, because the whole realm was regarded as the king's patrimony, and he could give away a province to a daughter, or something like this. He literally owned the state.

But in the modern world, nobody, no ruler pretends that they actually own their countries. They all pretend to be modern states. So we have what political scientists call "neopatrimonialism," in which you have the outward forms of the state, but basically, it's the same deal. You're running the state for the benefit of the insiders. The reason people go into politics is not to serve public interest, it's basically to get rich, and have their friends get rich, or their families get rich.

This fundamental distinction between a traditional, patrimonial state and a modern state is really key in the world today. So the state's about power.

The second set of institutions has to do with the rule of law. You can rule by law, but the rule of law has to apply to the most powerful people in the society for this to be a genuine rule of law. If the president, the king, the prime minister makes up the rules as he or she goes along, that's not the rule of law. The rule of law has to constrain people with coercive ability. In that respect, the rule of law is very different from the state. It's a constraint on state power. The state tries to produce power, and the rule of law limits power. It constrains power.

Then, finally, democratic accountability. We associate that now with a set of procedures, free and fair multi-party elections. The purpose of these procedures is to make sure that the government serves the interest of the whole population, and not just the interest of the elite, who is ruling the country.

In this structure, there's actually a big tension between these different parts. The state tries to accumulate and generate power, and the rule of law and democratic accountability try to constrain power. In my view, you can, first of all, locate any country in a spectrum, depending on which of these three they have. Ideally, they should have all in a kind of balance.

But many countries are unbalanced. For example, I think today China has got a very powerful, modern state. It's actually had a version of this modern state for the last 2,300 years. What it doesn't have is a rule of law—real rule of law—and certainly no democratic accountability.

Whereas a country like Afghanistan just went through an [election](#) so they've got some degree of

democratic accountability. But they've got a very weak state. They've also got a relatively weak rule of law, so you can be at different points in the spectrum. But what is key is to achieve a certain degree of balance.

Now, the central assertion of this second volume of the book that I've made, is that the key issue for contemporary politics is actually not democracy. There's a lot of democracies. I think it's threatened in many places like [Ukraine](#). But, actually, the real issue is less the fight between authoritarian and democratic states, than between states that are neopatrimonial and states that are modern.

Actually getting to democracy is pretty easy. We know how to stage elections. There's an international infrastructure for monitoring elections. That can happen pretty early after conflict, and so forth. The really, really difficult thing is to get to this modern, impersonal state, a state that's capable of delivering services, keeping the peace, and doing this in an impartial way. I think that is actually the dividing line in a lot of contemporary politics. I'll give you several examples.

In Ukraine, the fight, strictly speaking over [Euromaidan](#), and now, with Russia, is actually not over democracy. [Viktor Yanukovich](#), the previous president that was [deposed](#) earlier this year, everybody agreed was actually elected in a pretty free and fair [election](#). So there was some kind of a majority in favor of him. The issue for the protesters, in Maidan Square, was not that; it was the fact that he was at the center of basically, one of these rent-seeking, insider cabals. If you've ever seen the pictures of this monstrous palace—it's about five times the size of the White House—that he was constructing outside of Kiev—and all of the money that was being siphoned outside of Ukraine—he was presiding over this incredibly corrupt system.

The issue for these young protesters was that they didn't want to live in that kind of a system. They want it to be like the EU, where you actually have impersonal governance, and attention to public interest, and that sort of thing.

Actually, I would say that the bigger fight that we're having now with [Vladimir Putin](#) is, again, not strictly speaking, over democracy because if you held an election in Russia right now, he would win by probably a pretty substantial margin. There's no question that he's a popular choice. But again, he and his cronies represent this kind of insider, crony capitalist, power-sharing elite. He's now managed to use Russian nationalism as a way of legitimating himself. But the real contest, in the longer run, is what kind of a state do Russians want to live in, and do they want to live in this kind of kleptocracy.

I think the issue of corruption and improving the quality of states is a really key thing for many countries, including many democracies.

For example, in Nigeria, there's a publicly owned utility—they've been trying to privatize it over the past couple of years—but electricity is provided by something called the Nigerian Electric Power Authority, NEPA. Most Nigerians say that NEPA actually stands for "No Electric Power Anytime" because this state-run utility is terrible. It does not provide basic power. One of the things holding back the Nigerian economy is the fact that businesses cannot get reliable electricity, so everybody has to buy a private generator at several times the cost of the state providing this adequately.

This is a problem that affects other democracies. In India, the economist and activist [Jean Drèze](#) did a study of a number of poor Indian states in the north in the late 1990s, where it turned out that 50 percent of school teachers were not showing up for their jobs, despite the fact that they were getting paid. This is not a public policy issue. This is an implementation issue. So there's a big hue and cry in the Indian press. The Indian press is very lively, and there's a good democratic accountability.

After 10 years of reform, they did another survey, and it turned out that the ratio was just about the same. You still had about 50 percent of school teachers who were not showing up for work.

Now, the reason for this is a matter of governance. Basically, these teachers were not being hired to teach. They were in some politician's patronage chain, and therefore, the politician didn't really care whether the teacher was teaching. They cared whether they were getting political support.

This is a problem that pervades very many developing countries, Mexico, Brazil, and the like. As I'll explain shortly, this used to be a big problem in the United States in the 19th century as well.

Finally, if you move closer to Europe, why did Greece get into trouble in the [euro crisis](#)? Why is Greece governed so differently than, let's say, Germany, or Sweden, or Denmark, or other countries in Northern Europe? That has largely to do with the fact that patronage still exists in Greece.

It actually had to do with the fact that Greece democratized actually a little bit too early. The Greek state was always regarded as illegitimate because it had started out as an Ottoman province. Tax evasion has been a tradition in Greece for several centuries, because the Greeks didn't want to pay taxes to the Ottoman authorities. The state that succeeded it, when it became independent, was manipulated by outsiders. When they democratized, the two political parties tried to mobilize people, basically by giving them jobs in the government. In 1974, the [dictatorship](#) of the colonels was overthrown and democracy came back.

Everybody celebrated the fact that Greece was a democracy, but the two main parties, [PASOK](#) (Panhellenic Socialist Movement) and [New Democracy](#), were basically trading places periodically. Every time they traded places, they would stuff the public sector with their own employees. The result was that the size of the Greek public sector was something like seven times the per capita number of civil servants per population, as it was in Britain, at a comparable point.

That was one of the reasons that they really had a hard time controlling their fiscal accounts, in the period of when they could borrow money easily, prior to the onset of the euro crisis.

This issue of having a high quality, uncorrupt modern state, is really, really key. One of the big issues that we face is this question of how do you move to state modernity?

I'm going to tell you a short story about the United States that indicates that this is not unique to contemporary, developing countries because it was the United States that actually invented this practice of patronage, or what political scientists call "clientelism." This is where a politician, in order to get political support, basically gives individual bribes to voters, in terms of a job or a payoff, a Christmas turkey, a get-out-of-jail card, something like that.

In the United States, the earliest government after the ratification of the [Constitution](#) can be said to be run by the friends of [George Washington](#). They're all graduates of Harvard and Yale, very elite, in that merchant-planter gentry, aristocracy that actually ran the United States in those days.

In 1828, you had a key [election](#), which brought [Andrew Jackson](#) to power. He ran against [John Quincy Adams](#).

John Quincy Adams was a Boston Brahmin. He was educated at Harvard. His [father](#) was the second president of the United States. He traveled in Europe. He could speak several European languages.

Andrew Jackson was a frontiersman. He came from rural Tennessee. He didn't have much of a

formal education. He was an Indian fighter, a brawler, a big drinker. He won the [Battle of New Orleans](#) and so became a military hero. That set up this polarity in American politics between this Northeastern elite and a populist core of the country.

Jackson, because of the expansion of the franchise that was going on, won that election. I think a lot of times that the distinction between Jackson and John Quincy Adams was a little bit like the distinction between, let's say, [John Kerry](#), the Boston Brahmin, and [Sarah Palin](#). You get exactly the same resentment on the part of—this is a serious continuity, because there's a serious populist hostility that says that the country should not be run by graduates of Harvard and Yale. People should govern themselves.

So Jackson wins the presidency, and he says two things. First, "I won the election, so I should get to choose who works in the American government." And secondly, he didn't put it in quite these terms, but he said, "Any fool can be a bureaucrat in the United States. It doesn't take much of an education."

This was a period when the average level of education in the United States was not all that high. So this sets up about a 100-year period known as the spoils system, or the patronage system, in which virtually every single government official, from top to bottom, from the federal government down to here in New York in Tammany Hall, was there because they were paid off by a politician for their political support.

As a result, there are tremendous corruption scandals. [Abraham Lincoln](#), if you read his letters, just bemoans the fact that he's besieged by people seeking offices. In fact, he loses the first few battles in the [Civil War](#) because he's hired these political generals. There's some politician from Ohio that he owes a favor to and they're completely incompetent, and the Union side loses a lot of soldiers because of this kind of incompetence.

This was American government in the 19th century. It's not different from contemporary Brazil, India, Turkey, Mexico, and so forth. We tend to look down on these countries and say, "What's wrong with you? Don't you understand that corruption is a bad thing?" But we invented this.

I think that this kind of patronage should more properly be seen as an early form of democracy. If you're trying to mobilize people and get them to the polls in a country that's got a lot of poverty, or low levels of education and income, this is the easiest way to do it. People don't care about big policy issues. They care about a job for their husband, or brother, or whatnot.

Then the question, I think, the important lesson for contemporary developing countries is, how the United States got out of it. The answer was, politically. The problem was political, and the answer was political. Every Congressman had an incentive to keep the system going.

By the 1880s, you had new middle classes. You had civic groups, the beginnings of American civil society. A lot of people didn't want this system. They thought it was corrupt. There was a big groundswell, a grassroots movement, where grandmothers were really upset that their fourth-class postmaster was a political hack. Then, with some good leadership, you got a big movement for civil service reform.

But it took a big tragedy to actually bring this about, which was the [assassination of James Garfield](#). He was [elected](#) in 1880, and he was shot by a [would-be office-seeker](#). He took six weeks to die a very painful death. As a result, Congress was embarrassed into passing something called the [Pendleton Act](#) in 1883, which established the first U.S. Civil Service Commission and created a

modern, merit-based civil service. So this was the beginning of the [Progressive Era](#), when the United States finally acquired something that looked like a modern bureaucracy.

So this was the story. This is how I think any developing country is going to have to deal with this kind of issue. It's not something that can be dealt with technocratically. You can't air-drop some experts from the International Monetary Fund or the World Bank, and explain to them how to reorganize their government, because the fundamental issue is political, and it's only going to be solved politically from within those countries. But it can be done.

Let me move on to the last part of the book, which is about the United States, and it's about the issue of what I label "political decay." In my view—and this is a theme that goes through both of the volumes—any political system is liable to decay. In my view, decay is the result of two different causes.

One is intellectual rigidity, that political systems are based on institutions, persistent rules. Rules are created to serve one set of conditions, and when those conditions change, a lot of times, societies don't want to change the rules, because the rules acquire intrinsic value. The best example is religious norms. People aren't going to say, "We're going to abandon the [Bible](#), because it doesn't seem to be very relevant," this sort of thing.

The second cause is what I would call insider capture, or elite capture of the government. In any society, you have elites. The elites tend to be rich. They've got a lot of resources, and therefore, they've got better access to the government. So repeatedly, in human history, you have this effort to create modern, impersonal states. But they're kind of unnatural, because human beings, by nature, want to favor family and friends. If you're an insider, and you've got a lot of power, you're going to try to use your influence to get the government to help your family and friends.

So, the [Han dynasty](#)—it was really the first great Chinese dynasty—collapsed in the 3rd century AD largely because a lot of elite families basically took it over for the next, actually 900 years, before they established a more modern, bureaucratic system. This happened to the Ottomans.

The Ottomans had this weird system of modern government, where they would get good administrators by capturing young boys in the Caucasus, young Europeans, and bring them to Istanbul and raise them to be administrators and soldiers, and that was the only way that they could get them to break their ties to their tribes. But that system began to break down when these people started to have children, and then began to favor their children, and corruption gradually seeped back into the system.

The [Old Regime](#) in France, the government was so broke all the time, that it literally sold public offices in a practice called venal office holding—which is where our term "venality" comes from—where you could get the post of treasurer of France if you paid the government a certain amount of money, and then you got to collect taxes and keep them. Not only that, you could turn this post over to your heirs, as part of their inheritance, under a system called the *Paulette*.

Anyhow, political capture of the government is something that happens in many countries. I think that we're seeing some version of that going on in the United States, which explains a lot of the dysfunction that's going on in American government right now.

Everybody has been talking about polarization. In many ways, that's central to our problem. I think that political scientists can actually measure this pretty well in terms of where people stand in Congress ideologically. For most of the 20th century, the two political parties overlapped

substantially. If you look at all of the presidents that passed big legislative agendas, like [FDR](#), [Reagan](#), and so forth, they were dealing with a Congress that was like that. But, since the late 1980s, the two parties have been gradually splitting apart, and now they're completely separate. They're ideologically, extremely different from one another.

The most liberal Republican is more conservative than the most conservative Democrat. Now, this in itself is not a terrible thing. In Europe, you have ideological parties in their parliamentary systems. But in the American system, it clashes against certain basic institutions.

The American [Founding Fathers](#) were concerned with one issue above all, which was the prevention of tyranny. Probably the deepest aspect of American political culture is distrust of strong centralized state authority, because America was created in a [revolution](#) against [George III](#) and the English monarchy. The Constitution was designed by the Founding Fathers to prevent the concentration of political power. So the whole system of checks and balances tries to divide political power in as many ways as possible. You have a separately elected president, with his own legitimacy—maybe her own, in the future. You have two houses of Congress, that are equally powerful. You have a court that can invalidate legislation. And then you have the devolution of a lot of authority to states and municipalities.

At every single level, you have aspects of the political system that can really act as checks on the other parts. What you've had, I think, in the last few years is a collision of this political polarization with this highly separated and checked political system, which has led to what I label a "vetocracy," meaning government by veto, that is to say, the American political system privileges minorities, and it allows them to block things that they don't like that are contrary to their interests, and consequently makes it extremely hard for majorities to actually come to consensus decisions.

The most extreme example of this is this ridiculous practice of senatorial holds, where any one of 100 senators can hold up any executive branch appointment. So there's something like 60 ambassadorships right now that are being held up in the Senate because of the partisanship getting in the way of this.

So, you imagine trying to run Google or Procter & Gamble, where every member of the board can veto any mid-level employment decision made by the CEO, or by the management. You can't run a company this way. But this is the kind of system we have.

In more important ways, I think that this vetocracy has paralyzed the U.S. government, and it leads to many very dysfunctional outcomes. Let's just take budgeting. One of the most basic functions of the government is to not just budget, year to year, but actually to do a longer-term budget that actually will be responsible and sustainable, and so forth.

Congress has not passed a budget since 2008, basically, by its own rules. Last fall, as you remember, we had a complete [shutdown](#) of the federal government because there couldn't be a basic agreement on whether the United States ought to pay its past debts. Under American law, it was actually a crime. It would have been a crime if a federal employee had, during that shutdown, actually showed up at work.

This is not the way I think a good political system operates.

To take another example of vetocracy, you look at the U.S. tax code, which I think is a disgrace. As everyone knows, the top marginal, the tax rate on corporations is 35 percent, so it's much higher than in most other industrialized countries. But, many, many corporations do not pay this tax rate,

because they've all got special exemptions and privileges for themselves. The result of this is that you've got this incredibly complex tax code that really looks like the French Old Regime, where the elites manage to negotiate privileges, rather than liberties. A liberty is a freedom from government action that applies to everybody equally. A privilege is one that applies to me and my family, or me and my company alone. That's the kind of system that we've gotten to.

The vetocracy part of it is that many people will say, "Okay, this is a bad system. We ought to lower the marginal corporate tax rate, and get rid of all of these special exemptions." But Congress cannot do it. It cannot do it because the powerfully organized interest groups that care about those exemptions are able to veto action. If you ask anybody, "What's the likelihood of this kind of tax reform?" It's close to zero.

In many other ways, the quality of our government has been progressively undermined with the rise of very powerful interest groups. By pluralist theory, you need interest groups, and they should represent people's interests and passions. But, collectively, I think today, especially given the role of money in politics, which the Supreme Court [has legitimated](#), they're not representative as a whole. They're basically representative of the best-resourced and the best-organized people, but not necessarily of the whole society. I think this is an example of political decay.

Now, I would back up and say I don't think American civilization is in decline, because the best part of the United States was never the government. It was actually the private sector and the NGOs and civic associations, and so forth. Those are still really healthy. There's still a lot of innovation in energy, in information technology, in health care. So, the American economy is actually doing okay, and I also don't think that democracy as a whole is in decline. There are individual countries in Europe, Germany, Scandinavia, Switzerland, Holland, that actually had pretty well-functioning democracies, where there is a much more substantial degree of trust of citizens in the government, than exists in the United States.

But I think certain key democracies like the United States, Japan, Italy, and India, for that matter, have been suffering from this problem of this inability to actually make important decisions. The United States continues to play a key role in the world. So, if you listen to the rhetoric of [Xi Jinping](#) and Vladimir Putin, and [Viktor Orbán](#) now in Hungary, they're saying, "Look, democracy isn't such a great system. Look at the United States, look at these others, look at the EU. We have the answer."

I don't think they've got the answer. That kind of unconstrained power is not the answer. But until we get our act cleaned up, it's gonna have a certain amount of traction, because, compared to 20 years ago, after the fall of the Berlin Wall, people around the world, they don't say, "Oh, yeah, let's look at Washington, and try to be like that. That's the model that we want to achieve."

I do think we've got some homework to do in terms of fixing some of these governance problems. In general, the world needs to think about governance very carefully, because I think that's really the key challenge.

Thank you very much. I appreciate your attention.

Questions

QUESTION: Susan Gitelson.

That was so insightful, so extraordinary.

Now, to start off, American foreign policy in the Middle East, where, as you said, there's a lack of states—President [George W. Bush](#) wanted to bring democracy to Iraq. What was democracy? [Elections](#). Has this solved the problem? No, now we have an even more extreme [case](#) of the so-called [Islamic State](#), which is not a state and doesn't have legitimate authority at all.

What does the United States do? How can we act more rationally in a situation like that?

FRANCIS FUKUYAMA: I think that the experience of the United States in [Afghanistan](#) and [Iraq](#) should basically teach us the following lesson: The United States doesn't have the wisdom, knowledge, resources, or staying power to actually dictate a particular outcome, like democracy, or good governance, or something of this sort, and we shouldn't really try to do that. Even with 150,000 troops in Iraq, we couldn't create durable political institutions.

My own view is that what you're seeing throughout that entire region is a spreading sectarian, Sunni-Shiite war, in which you've got groups in each of these countries, in [Syria](#) and Iraq, and so forth. Then behind them are Saudi Arabia and Iran, which used them as proxies. I just don't think that the United States, or other Western countries, have the ability, for example, to figure out what the end game is going to be in [Syria](#). Who the hell knows right now?

Of course, it would be nice, if it's a nice, liberal, Western-style democracy, but that's just not going to happen, right? I don't think that should be our objective. Actually, we've got to take a more modest position, where we basically contain the problem, we prevent the worst actors, like ISIS (Islamic State of Iraq and Syria), or the [Assad](#) regime from dominating the region, which I think we can do largely with air power. You don't need ground forces, really, to do this.

But, unfortunately, I think a lot of this war is going to have to play itself out, and the bulk of the fighting is going to have to be done by people who are existentially threatened by ISIS, which the United States is not. That's actually my preferred policy on the region.

In that respect, I think President [Obama](#) actually made a mistake by promising to destroy ISIS, because I just don't think we should have permanent friends and enemies in that part of the world. I think, rather, we just need to push back against powerful people. If you destroy ISIS, among other things, that may lead to a victory of the Assad regime in Syria, which we've also said we don't like.

I think it's more achieving a balance, rather than a particular political outcome, that ought to guide our policy.

QUESTION: Two very short questions. One is, you wrote your book *The End of History* 20-some-odd years ago, and this has a much darker tone to it than what you wrote at that time. I wanted you to talk through a little bit how your own thinking evolved over these two decades.

Then, having laid out all this dysfunction in the United States government—and it's worse than ever now, in your presentation. How does that get altered?

FRANCIS FUKUYAMA: The answer to the first question is, both, I've changed in my thinking, but also the world has changed. There are several things I didn't understand fully when I wrote that original article and book—the chief one is just the difficulty creating institutions.

It's one thing to have a big demonstration, where you want to bring down a dictator, and we've seen that that's a very powerful impulse—now in [Hong Kong](#)—in many parts of the world. But what's really difficult is translating that anger and energy into durable institutions that can support a democracy

over the long run.

I hadn't really thought about the problem of decay, very much because, frankly in the last 25 years, the United States has decayed a lot. It didn't look this bad back when that original essay was written.

The question on how you get out of the current problem—there's a couple of possible answers. One is just demographic shift in the American electorate, which is going on right now, which I think in the long run may change things. Another is the possibility of an external shock.

I actually would have thought that the [financial crisis in 2008](#) would have been a big shock that would have shaken up the system more, but I have to say that the policymakers put a floor under how bad things got. For a lot of people in Washington, it's like, "What crisis? Everything's back to where it was, and nothing needs to be reformed."

The other possibility is, you'll actually get some leadership and followership. Political reform, as in the Progressive Era, depended on both. It depended on grassroots people feeling that the system was really dysfunctional, and organizing. Then it required people that would lead them, and actually have an agenda. I don't think we've had either of those.

So, it's very strange that—after the financial crisis, given its origins, you'd think there would be a big, left-wing, populist uprising. There hasn't been anything. I don't think [Occupy](#) is a significant force. The biggest populist movements, both here and in Europe have all been right wing ones: the [Tea Party](#), and then these various anti-immigrant groups in Europe, that are aiming at the wrong targets, I think.

You don't have the followership, and I don't think you've had the political leadership, or at least a political leadership that has some different kinds of answers to how you deal with this malaise.

QUESTION: Don Simmons.

You mentioned as one of the key elements of a government, political accountability. To what extent do you think free press is essential to the effect of functioning of political accountability?

Second question, to what extent would you say freedom of the press is starting to appear in mainland China now? Digital press, presumably.

FRANCIS FUKUYAMA: Freedom of the press is key because if you don't know what your officials are doing, there's no way of holding them accountable. I actually think that there's some worries about the media in this country, because with the decline of newspapers, you have much less investigative reporting, and therefore less revealing of things that are going on.

I don't think all these bloggers on the Internet are a good substitute for that. Then you have this other phenomenon in the United States, that with increasing bandwidth, you've actually got these fragmented conversations that allow like-minded people to hear only things that they like hearing. As a result, you get this weird, cognitive dissonance, where very large numbers of people believe that Barack Obama wasn't born in the United States, things of this sort. I don't think things are perfect in this country, either.

China, I don't think anything very positive has been happening. With the growth of the Chinese middle class, you're getting people that are interested in having more access to information, and freer news about things that are happening. So, you have that [Wenzhou train accident](#), high-speed

rail accident, maybe four years ago, where this train, this brand-new, high-speed rail train crash that killed like 40 people, and the government buried the cars so that nobody could see what happened. This got on the Chinese equivalent of Twitter, and the government was forced to un-bury the cars, and then they actually sentenced the [railway minister](#) to death. [*Editor's note: The railway minister, Liu Zhijun, received a "death sentence with reprieve" in July, 2013. As of October, 2014, he has not been executed.*]

That's a certain kind of accountability there. In general, Xi Jinping has been a pretty tough guy, and he's cracked down on dissidents and they are actually eroding [Weibo](#) (micro-blogging), and there's probably less freedom of access, digitally, to information now than there was a couple of years ago.

QUESTION: My name is Edefe Ojomo.

I'm Nigerian, so I don't trust political and public institutions very much. I think that, in Africa, especially, because of the history of the state, we should begin to look beyond the state for political organization, accountability and all of that. As a student and teacher of international law, I think about international institutions, regional institutions, especially. Just the focus on the state as the only means of political organization, I think is holding back whatever kind of development or accountability that can be achieved in Africa.

I wonder what you have to say about that.

FRANCIS FUKUYAMA: I actually have an entire chapter in the new book on Nigeria. You're right that there's a really big problem.

The reason I wrote this chapter was that Nigeria is an extreme example of the neopatrimonial system, where the country is taking in maybe 400 or 500 billion dollars in oil revenues, and it still has a poverty rate of 70 percent. It's really that all those resources are being shared among a very narrow elite and there is a high degrees of corruption.

I think that the response in many societies to dysfunctional government has been to try to sidestep government in ways that you mention, and that's fine. I think that there are many substitutes. Government does not have to supply a lot of services, and education, and health. In fact, the NGO sector has been doing this, not just in Africa, but in the United States and many other places. The problem is, though, that there are certain functions that only governments can do.

You think about security in [northern Nigeria](#) right now. That's not going to be solved by the private sector, or by civil society. That's really a security issue that a state with a legitimate monopoly of force is going to have to take care of. There are other things. Especially the more connected and complex the world is, there are certain functions that centralized states, for better or worse, have to perform.

But I agree with you. Where it's not going to work, you really need to come up with alternatives.

QUESTION: My name is Edoardo Maggini. I'm from Italy.

My question is more a curiosity than a question. While you were thinking about corruption, I was thinking if there are some cases in the history, or in the world, where actually corruption can be not as dysfunctional, but beneficial, or help to run things smoothly?

I'm thinking for example of Italy, after [World War II](#), in the '50's and the '60's, where we had a great

economic boom, despite all the corruption problems that we had.

FRANCIS FUKUYAMA: No, that's right, and I've got a chapter on Italy in the book, so [Laughter], yes. No, that's true that a kind of patronage, rent-sharing system can actually stabilize countries.

Just to go back to Nigeria, the reason that you got into the situation in the first place, was that after the [Biafran Civil War](#) in the 1960s, you had all of these ethnic groups. You had the ever-present possibility of violence. One of the functions of this rent-sharing was to buy off anybody that threatened violence. That continues to happen. So, someone in the [Delta](#) starts shooting at an oil company, and you send subsidies there. That's the way you keep things under wraps.

In Italy, you're right that the [Christian Democrats](#) created this vast corrupt patronage network in southern Italy, in order to basically beat the communists, and prevent the [Communist Party](#) from taking over.

But I think that all of the arguments that corruption is functional are relative to a situation where you assume you can't get at the underlying problem because it's much better to actually have a functioning . . . So a lot of people say, "Well, if you can pay a bribe to get a license, that speeds things up. That's kind of a lubricant. That's good." But, it's much better not to have to pay for the license in the first place, and just get it from the government.

I think that Italy really missed a big opportunity in the 1990s, after the fall of the Berlin Wall, when the Communist Party went away, and there was a really big opportunity to actually strengthen the Italian state, and to modernize it in a way that Germany or France had modernized their states. Unfortunately, you got [Berlusconi](#) and [Bossi](#) as political leaders, who just had a very different kind of agenda. I think that's still an issue that needs to be fixed in Italy.

QUESTION: Hi, my name is Harsha, and I'm from Sarah Lawrence College.

My question to you concerns a very interesting society in the world today, Pakistan. In Pakistan, you have an interesting mix because you have a tussle between a very strong armed forces, protected by what some people call the "nuclear umbrella," and you have a highly illiberal political elite, made up of landed elites from Punjab and Sindh. What's the way out in a situation like that?

FRANCIS FUKUYAMA: I can give you actually, a hopeful scenario for Pakistan. There's no question that this is a really tough problem. But, you know the 18th Amendment to the Constitution that was passed, what was it, two years ago, actually has begun to devolve power from the central government in Islamabad to provinces, but to a lower municipal level. And there's been a big response to this, in terms of local organization, and local accountability.

There's some deep social problems, like the persistence of feudalism, which I think is really one of the biggest obstacles to good politics there. But more people are getting empowered over time. There's more media freedom, and so forth. So I do think that there's some glimmers of hope for internal reform of the political system.

The problem is that Pakistan is such an object of international attention, and nobody will leave it alone to actually fix its own problems. But I do think that there is a way forward.

QUESTION: I'm [Nawaf Salam](#), the ambassador of Lebanon.

I have a question regarding the three elements you presented as constituents of what you called the

modern political order: state, rule of law, and accountability, if I am not mistaken.

I'd like you, if possible, to comment on the ratio between state, the rule of law, and accountability, because in examples you gave, such as Libya, Iraq, Syria, Yemen, we have places where we have a concentration of power in dictators, like nowhere else in the world. But they have weak states, if no states. Is it right to think of accountability and the rule of law as constituent parts of the state?

FRANCIS FUKUYAMA: Well, by my definition, these are separate institutions. You can have a state without law, and accountability, and you can have law and accountability in an extremely weak state.

I think, in Syria, Iraq, and Libya, you went from—it was actually a deceptively strong state. These were all despotisms that were run by minorities, you know, in each case—the Tikritis or the Alawites, or in [Gaddafi's](#) case, by his tribe from western Libya—they actually basically lacked legitimacy. Even though they stayed in power for quite a few years, they did not rule with genuine authority. So now, they've broken down, and there's really no alternative legitimate source of authority in any of those countries. So, I would say that that's really their problem. It's the weak state part that they've got to solve initially.

Democracy, actually, can help in this. It's not necessarily contradictory, because, you need democracy to create legitimacy. I think that's still true in the Arab world as it is in other parts of the world. That's why Ayatollah [Sistani](#) actually wanted early elections in Iraq because after the American invasion and the overthrow of [Saddam Hussein](#), there weren't any legitimate actors there. So, if you didn't have elections, you couldn't even begin to reconstruct state authority.

QUESTION: Charles Hazzi, NYU.

This United States has attracted, over the last 100-150 years, a large number of different ethnic groups, which have more or less assimilated, and felt strong loyalty to this country. Do you think the decay that you described just now contributes to the disillusionment of the young people who are now leaving this country, and volunteering with terrorist groups overseas? Do you think this perception of decay contributes to that?

FRANCIS FUKUYAMA: I don't know. I think someone would actually have to study the actual motives of the people who have gone overseas, and there are not very many of them. You're talking about 100 or 200 people in a really big country. I'm not sure how big a phenomenon that is.

But it is certainly the case, if you look more broadly across the West, that it's not decay, per se. It don't think anyone is going to Syria because they say, "I just can't stand [John Boehner](#) and the fact that the Republicans won't approve these ambassadorships." That's not the way they think.

But I do think that there is a feeling that a prosperous capitalist democracy doesn't provide any kind of inspirational sense of community, which is what I think a lot of people crave especially if you're unemployed, or alienated, or don't seem to have really great job or marriage prospects. Signing up for a great cause that you think will—and in fact it's very interesting, the way these kids, they actually want the discipline, the Puritan morality that these Islamist groups provide, because you don't get that in the United States. Nobody makes any demands of you in this country.

I think that's kind of the personal, psychological level on which a lot of these kids are going. I don't think it's the decay, per se, that I suspect is making them do this.

QUESTION: John Richardson.

You mentioned the *Paulette*, the-pay-for-a-lifetime tax collector job, and then with that little bit more you can descend it to your heirs. Franklin Roosevelt said in the 1936 election campaign that government by organized money is just as dangerous as government by the mob.

When you've got a gerrymandered Congress with PACs (political action committees) and Super PACs, once elected, you stay elected. We've got a country of oligarchs who run industries and the most annoying, personally, is of course the cable companies and the wireless telephone. But there are lots and lots of other ones. But it's the same everywhere else.

Now, how do you solve the problem? This gentleman asked similarly how you solve problems. My very happy extreme solution is, one, a huge anti-trust law with teeth, and lots of immigration. The other one is to go back to the regulated monopoly that we used to have with AT&T.

What are your comments?

FRANCIS FUKUYAMA: Well, there's a lot of very specific public policy issues that you raise. I think, on the broadest level, you have to roll back these recent Supreme Court decisions that basically say that money is a form of free speech. It's true that you can never keep money out of politics completely, but other democracies manage to reduce the role of money very substantially. The United States could do this as well. But at the moment, we are completely blocked by these court decisions. So, I think those have to be reversed.

In terms of the role of other special interest, yes, I think they ought to interpret the anti-monopoly laws differently because right now, their definition of monopoly is a purely economic definition. If you control X percent of a market, then you're liable to being sued by the Justice Department. But I think that even in a condition of oligopoly, or just very large companies, they exert undue political influence simply because of the amount of money they have. There are political reasons for trying to break up or block mergers, even when they don't meet the economic criteria that had been—now legally, I'm not a lawyer. I don't know if you can do this under the current statutes, but I do think that it's possible.

I do think that in specific areas, like finance we could have had a much simpler solution to the "too big to fail" problem, just by dramatically raising capital requirements. But I think this is a political economy issue, where the banking industry was just too influential. That route was just not taken, and even today is very strongly opposed.

QUESTION: Anthony Faillace.

Could you speak a bit more on how countries make the transition from these patronage, corruption-type systems—you mentioned the Garfield example. But is there a secret sauce that gets people to change their minds to something a little more sensible?

FRANCIS FUKUYAMA: Well I think there's an underlying social process, which is economic growth. Economic growth creates new social groups, so in the late 19th century—this is an extraordinary period, where America was moving from an agrarian society to an industrial one. There was urbanization. The groups that were part of the progressive coalition were largely ones that had been created by that social change.

So you had civic reformers, you had a whole generation of college-educated professionals, because of the [Morrill act](#), and the founding of all these land-grant universities, and so forth. You had business interests that didn't want corrupt government. The progressive coalition was really the knitting together of all of these new social actors.

I think this is going to happen, in Brazil, Mexico, India, all of these places. Brazil is a great example of this. You had these [protests](#) last year, in Brazil, mostly by educated, middle class young people who did not want this corrupt Brazilian political system that they'd inherited. Now what they've got to figure out is how to turn that energy, not away from politics, but towards politics in a way that will actually bring some real political change in Brazil.

But it can happen. There's a way out.

JOANNE MYERS: Thank you again for an absolutely splendid morning.

FRANCIS FUKUYAMA: Thanks, Joanne.

Audio

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