



anger for ordinary Americans and sources of wealth, power, and status for exploitative elites at the top of the pecking order. The Left is melioristic, instrumental, and overly moderate. The Right affirms the illusion that is possible to find “the real America,” which is a method of denying reality, turning back the clock to a time when the United States was a white man’s land, when there were no cities in which minorities are the majority, where gays and women were kept in their place (the women at home and the gays in the closet) and where there was a free market that operated without governmental supports and always achieved optimal results. Illusions such as these can be dangerous for the simple reason that living with an unreal picture of the world can easily degenerate into nihilism, once the illusions are dispelled by reality. Without a vision of future possibility, electorates cannot be galvanized and movements for reform are non-existent or remain ineffective expressions of popular discontent that never rise to the level of a new democratic politics.

- 4 There is an absence of statecraft, by which I mean both willingness and the capacity to build and rebuild the state, to make it strong and deep, not merely to protect Americans but so as to care for and insure the common good. States need sufficient power to restrain interests and to respond affirmatively to the needs of the citizenry as well as to move society forward to meet pressing challenges that result from social and economic transformation. One often hears talk about state building or statecraft as I mean it here when discussing underdeveloped nations, “failed” nations or emerging nations that are not yet “great powers.” But powerful nations such as the United States never apply either the diagnosis or the proscription to themselves.
- 5 Americans, of course, have always been suspicious of state power, beginning with their animosity against the British government in the American Revolution. In the United States, compared with Europe, the business community has been much less accepting of restraints imposed by government. Thomas McGraw (1984) has shown, however, that industry profits from regulation. During the Depression the banking industry’s profits and reputation reached a nadir. What McGraw describes as the work of “statecraft” involved in the creation of the Securities and Exchange Commission (SEC) – establishing borders between the respective economic roles of government and business; policy construction; enactment of legislation; pressure and patient persuasion of relevant parties; regulatory implementation – was largely responsible for the industry’s recovery. Yet contemporary American politicians have failed to draw any lessons from historical models of successful statecraft, even though, as I argue here, that many of our problems derive from the fact that the American state is, at least with respect to domestic policy and programs, extremely weak.
- 6 I am not, however, asserting that America is a “failed” state. The United States is the oldest democracy in the world and though its political institutions at the moment are dysfunctional, there is no reason to doubt that over the long term it can still use its strong tradition of democracy and the vast talents of its citizenry to repair whatever is broken and in need of reconstruction. If not “failed,” however, it seems to me that America at the beginning of the twenty-first century is “stuck” and the reason for this is that the American state is an inadequate instrument for meeting the challenges and needs of current circumstances. The electorate is dissatisfied with politicians for good reason; they play their political games but they do not do “state work.” Ordinary folk intuitively understand this last statement. The popular dismay over the war in Iraq – one of the reasons for Barack Obama’s victory in 2008 – and the present dismay over the endless war in Afghanistan relate to the deeper concern that while America is “state building” in the Near East and central Asia, it is ignoring “state building” at home. All the above suggests a follow-up question, “How can America get unstuck?” I shall endeavor to respond to this question at some length in this essay.

### **The Pivotal Decade**

- 7 Was there a moment in the late twentieth century when our society might have become different than it now is? In the last year, several books have appeared which answer this question by exploring the 1970s as the “pivotal decade” in which both America and global society shifted ground. Judy Stein’s history of American politics and economics in the seventies, aptly entitled *Pivotal Decade*, shows how the United States switched from being a manufacturing society of “factories” to one controlled by financiers. Gerald Davis’ *Managed by the Markets* discusses the transition from the stable and somewhat socially responsible postwar business world of “managerial capitalism” to the volatility of “shareholder” capitalism since the 1970s. And Daniel Rodgers, in *Age of Fracture*, provides an extensive intellectual history that records a transformation from “a post-World War II era thick with context, social circumstance, institutions and history” which “gave way” to an individualistic and disaggregated culture that “stressed personal choice, agency, performance and desire”(3). Together, these three books provide some clues as to why, in Trollope’s phrase, “the way we live now” induces in us a strong sense of uncertainty and instability.
- 8 In spite of their different subject matters, all three books have much in common: they are all narratives about structural crisis, about the inadequacy or breakdown of







































Corporation; the Trade and Development Agency and the Small Business Administration. Agencies like the National Oceanic and Atmospheric Administration (NOAA), which do not belong in the Commerce Department, will go to the Department of Interior or, perhaps, to some revised cabinet department, which will include the Environmental Protection Administration (EPA), to focus exclusively on the vast yet pressing matter of ecology and climate change.

- 118 If Obama can put through the first part of his reorganization plan, other elements should follow, such as bringing together all agencies concerned with transportation, housing, urban development, economic development and social services. Such a department would allow comprehensive planning of the built environment in the United States and also connect metropolitan development with appropriate social services. We need far more public transportation than we have – at the moment, the New York metropolitan area contains 75% of all the public transportation in the entire country – and something like planning for a national system of bullet trains, entailing rebuilding road beds and securing land for right of way. The “American Dream” is tied up with the idea that home ownership is the ultimate good. But in a world of falling rates of profit and diminished growth as well as global competition, the waste of resources and the cost of private housing runs counter to our real interests. In creating a new built environment the government could focus on affordable public housing for a large part of the population, in lieu of the panacea of a suburban house with a two car garage. Americans, like other people in the world, can be well-housed in apartments which provide the added benefit, because they do not use so much land, of eliminating “sprawl.” If the Education and Labor departments were combined, policymakers could begin to create the kind of workforce training programs required by a twenty-first century manufacturing economy.
- 119 Doubtless the executive is not the only part of the Federal government that needs to be rebuilt or altered in a major way. The reorganization of the executive will affect Congress, because if it is geared to planning, then the Congress will have to reorganize itself in a similar manner. But there are glaring problems with Congress that can be repaired immediately, such as the Senate filibuster, which now requires at least sixty votes in favor of a bill in order to pass any legislation. This is an impediment to progress and constitutes a recipe for American decline.
- 120 Earlier in this essay I cited Richard Hofstadter stating that “America has rarely been well governed.” There are many reasons why this is so: fear of state power; the popular distaste for taxation; the historic conservative affirmation of “state’s rights”; the liberal inability to grasp the idea of the common good; the deleterious effect of the South – slavery, segregation, militarism, evangelical religion – on American politics. None of these are easily overcome and it may be mere wishful thinking to believe that Obama or any president can successfully undertake the task of state-building.
- 121 But wishful thinking is, in one sense, what history is about. On May 6, 2012, a watershed has been crossed in a civil rights movement that in fifty years – a mere blink of an eye to an historian – has seen not merely the end of African-American segregation in the South, an immense wave of global immigration that has altered the ethnic composition of the United States, but also the recognition by the president of the United States and the new president of France (Francois Hollande) of the rights of the Gay, Lesbian, Bisexual and Transgender (GLBT) men and women to marry; what was once taboo has now become commonplace. We speak endlessly in modern society of the revolutionary nature of industrial capitalist social and economic transformation, but we often forget that the continuing democratic evolutions and revolutions that began, as well, in the eighteenth century are what has made capitalism, a system which is by definition without a human face, into a system that allows, not in spite of but because of, human struggle for the improvement of human life.
- 122 At this juncture in the history of the United States, statecraft is more important than ever in order to build a better America and a better world. Since there are already so many good things about the United States to celebrate, it is no small thing and no implausible thing to emphasize the fact that the weak link in American history and society is the state. Fixing it, building it, is what must be done.

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