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Implications

Let's first review where we have been. Chapter 2 described several fundamental differences between the United States and other advanced industrialized countries: institutions of government limited by the separation of powers and other deliberate aspects of constitutional design, relatively weak political parties, a smaller public sector compared to the size of the economy, lower taxes, and the narrower reach of our public policies. Chapter 3 attributed these differences between the United States and other countries to a prevailing American ideology at the center of our politics, which emphasizes the importance of limiting government; is suspicious of governmental and other authority; and seeks a smaller public sector, less ambitious public policies, and lower taxes than we observe in other countries. That ideology not only directly affects the formation of public policies but was also built into the structure of our institutions. Thus a powerful interaction between ideology and institutions, each reinforcing the other, started America down the path of limited government and contributed powerfully to American distinctiveness right down to the present day.

Chapter 4 presented some theories explaining why Americans think that way about the appropriate role of government and the limits that should be placed on governmental action. I attributed these distinctive American ideas first of all to the values and cultures of immigrants. Second, I argued, the diversity and localism of the country played into the ideology of limited government. Then other factors reinforced the interaction of ideas and institutions—the economic and social structure and muted class conflict, the myth and reality of opportunity, and America's isolation from other countries throughout most of its history. Chapter 4 ended with a "path dependence" account that tied these various factors together, emphasizing the early events that started America down the path of limited government, events that were then reinforced by subsequent developments. This theory of path dependence is the central concept that explains why America has come to be so different from other industrialized countries.

It's now time to ask what it all means. What can we learn from our differences with other industrialized countries? What are some pluses and

minuses of the American way of approaching government? Should we consider thinking differently from the way we currently think? What is the future likely to hold?

LEARNING

Some might argue that America is unique and therefore can't learn much from other countries. The entire political culture—the intertwined system of values, norms, and practices—is so firmly established and so different from other countries that the practices of other countries could not be successfully transported to America. Beyond that, the governmental institutions are so stable and so important that what might work in a different institutional context won't work here. Even if people wanted to apply the experience of other countries to solve American problems, it would be argued, this powerful and unique combination of culture and institutions is bound to prevent the successful importation of others' policies and practices.

There's little doubt that America is different. But I still think we can learn from other countries. After all, the problems that we confront are not entirely different from those facing other countries. Although their solutions might have to be adapted, even in major ways, to fit the American cultural and institutional context, if they are successful in some way, their experience might point to some sensible solutions for us.

The case of health care illustrates the point nicely. As we have seen, in every other advanced industrialized country, virtually the entire population is covered by health insurance (White 1995a). Yet both the total per capita bill for medical care—public and private expenditures added together—and the total of medical care expenditure as a proportion of GDP are lower in those countries than in the United States. Morone (1990:268) points out that Canada, for instance, starting with a situation similar to the United States, adopted a national health insurance system that within a decade covered the entire population and actually reduced the share of Gross National Product (GNP) devoted to health care.

How can that be? How do these other countries achieve universal coverage at a lower cost? The answer is complicated, of course. American research and development, for instance, is unparalleled and expensive, incurring bills for the innovation of techniques and treatments that other countries never have to bear. Americans also prize convenience, and those who can afford it pay a high cost to avoid queues for treatment or delays in elective surgery.

But I believe that an important part of the answer lies in the themes of this book. Other countries achieve universal coverage at lower cost because of a degree of compulsion that Americans find difficult to tolerate. They require all employers to furnish health insurance to all employees, for

instance; or they enroll all citizens in a government-sponsored insurance system and pay for it with higher taxes. They achieve cost control by such devices as setting global budgets and requiring providers to live within those budgets, negotiating fee schedules that will apply to all providers, rationing care, and other such practices. Patients may not be able to schedule elective procedures at their convenience but may have to wait in a queue. In other words, other countries compel people to do things they wouldn't otherwise do.

America started earlier in this century down the path of private health insurance, generally arranged as a fringe benefit at places of employment, instead of government health programs. Even if a universal government system at this stage would cost less in total taxes than the current mix of private insurance premiums, out-of-pocket payments, and government programs like Medicare and Medicaid, the nation has become so committed to private insurance, and so many interests (e.g., insurance companies and health care providers) have a stake in that system, that it would be very difficult to change direction now.

Perhaps, if compulsion were viewed differently in this country, people would be open to possible alternatives that they don't at present choose to take seriously. After all, elements of compulsion are already present in the American health care system; they just aren't government compulsion. Care is already rationed, for instance; it's just done by what somebody called the "wallet biopsy" rather than by some criteria other than wealth. Other rationing criteria might include determining who is sickest, what care is elective and what care is necessary, what care must be provided fast and what care can wait, who will benefit from the care the most, the importance of convenience, and so forth.

For another instance of compulsion in American health care, employers have taken lately to pushing employees into managed care rather than traditional fee-for-service care. The managed care companies in turn are quite strict about limiting access to specialists, shortening hospital stays, and implementing other cost-cutting measures. There's obviously an element of compulsion in that trend; it's just not government compulsion. And a political backlash is developing; new legislation has mandated forty-eight-hour hospital stays for mothers following normal deliveries, required that certain procedures be done in specified ways, and is starting to regulate managed care and the practice of medicine in other ways.

A different view of the appropriate role of government might allow for the possibility, for instance, of equating private health insurance premiums with taxes. They both come out of the same pocket, after all, so the issue isn't that taxes involve the greater compulsion; instead, the issue is what the money is buying. Or the type of national health insurance that works through employer mandates might be seen not as imposing an intrusive and burdensome requirement on small business but rather as a way of organizing to cover the whole population. But when it comes to taxes, we

Americans are so fundamentally antistatist that it makes a terrific difference to us whether we're paying for health insurance through taxes or through premiums. That antitax fervor, in other words, rules out in advance some practical approaches to the problem of covering the entire population at a lower cost.

This isn't the place to advocate any particular course of action. It could be that many readers of this book would content themselves with incremental adjustments to the current system of financing health care. Other readers might want to replace the whole system, root and branch, with government-sponsored, single-payer national health insurance. Still others might want to introduce a system of medical savings accounts. For the purposes of this book, I can remain agnostic on those disputes. My only point is that our American ideology, in addition to guiding us in certain directions, imposes blinders on us as well. We aren't as open to the full range of alternative possibilities as we might be, because our ideology rules out some of those possibilities that have been successful in other countries, or at least makes those possibilities suspect.

This excursion into health care is not an isolated case. I could take similar detours into many other public policy arenas. My main point, regardless of the location of the excursion, is that we Americans can learn from the experience of other countries. This doesn't mean adopting their approaches uncritically or being reflexively envious of other countries. We might conclude on examination, for instance, that the lust-to-dust welfare systems of most European countries impose a harmful burden on their economies and that our economy is vibrant, growing, and robust in part because we don't bear that burden. On the other hand, we might conclude that in some respects, American government capacity should be strengthened, not reduced (see Morone 1990:332–3). My plea, in other words, isn't simply to copy others but to study their practices and policies with a more open mind to see what we can learn.

PRAGMATISM

I have concentrated in this book on American traditions in political ideology and institutions. In a way, however, I'm arguing in this last chapter for a return to another venerable American tradition: pragmatism. Tocqueville even called a practical bent "the philosophical method of the Americans."

To be clear, ideas are important. Our individual political behaviors are not just driven by self-interest. And our collective public policy outcomes are not just the result of campaign contributions, the pursuit of votes, or interest group pressures. Instead, argumentation and persuasion also figure prominently into individual behaviors and policy outcomes. Ideologies, ideas, and values matter. There is a fairly substantial body of writing by now that argues for the importance of ideas in explaining political behaviors and

public policy outcomes. (For reviews of this literature and reflections on the issues posed, see Kingdon 1993; Mansbridge 1990, 1993.)

Some of this writing on ideas makes the implicit assumption that reliance on ideas is a hopeful sign. We do better, the argument goes, if we rely on persuasion and rational deliberation than if we are driven by the pursuit of self-interest or pushed and pulled around by "political" considerations. I don't really share that assumption (Kingdon 1993). It seems to me that a lot of damage has been done over the course of human history in the name of some "good" idea. It appears that I'm not alone. Bellah et al. (1986:277) say that unease about "ideological fanaticism" is quite widespread. At any rate, I firmly believe that ideas are important. I'm less sure that this importance always turns out to be good.

So I want to argue here that we could profit from a return to pragmatism. Thoughtful observers often say that Americans, in addition to being principled, and in addition to being driven by certain distinctive values and orientations, have also been regarded traditionally as a practical, pragmatic people. Free and Cantril (1967:178), for instance, point to a "distinctive American pragmatism, pervading, shaping, and interpreting the American credo." We prize "know-how"; our biggest praise for a given approach is that it "will get the job done." In this pragmatic vein, we don't fully trust rigid ideologues; we regard them as a little bit suspect or "extreme."

As we should. Let me discuss two examples of ideology getting in the way of doing something sensible. The first is our Corporate Average Fuel Economy (CAFE) regulations (see Nivola and Crandall 1995). Suppose that we want, as a nation, to discourage the profligate consumption of fossil fuels, both to conserve energy and to reduce pollution. We know that a big proportion of such consumption is in the transportation sector. Americans commute long distances to work, for instance, each single individual driving a gas-guzzling automobile (or, lately, sport utility vehicle).

A perfectly straightforward way to discourage gasoline consumption is to do what every other industrialized country does: raise the price of gas. Those countries accomplish that goal by imposing taxes on gasoline that are extremely high by American standards, with the result that gas at the pump often costs two, three, and even four times as much as it costs in the United States. In the process, gas taxes generate government revenue that can be used for pressing national needs like transportation infrastructure, public transit, education, health care, and the like.

But the prevailing American ideology I have described in this book gets in the way of so sensible an approach. Remember that we regard taxes as confiscating what's ours. In addition, we prize our individual autonomy, and think of the privilege of driving our cars around the countryside as much, as often, and in whatever manner we see fit almost as a right. A dramatic boost in the price of gas, this thinking would conclude, would be an infringement on this individual autonomy, to which we believe we are enti-

tled. Thus the American suspicion of government, our unusual aversion to taxation, and our individualism all militate against the straightforward, simple, and efficient approach of raising the price of gas.

If you have any doubt about the way this works, consider the instance of the temporary spike upward in the price of gasoline in the spring of 1996. Politicians fell all over themselves to posture about bringing down the price. President Clinton released crude oil from the nation's petroleum reserve and ordered Energy and Justice Department investigations. Senator Dole, the Republican nominee for president, pushed for a repeal of 4.3 cents of the gasoline tax. Never mind that these measures would do almost nothing to affect the price of gas at the pump. Never mind also that the spike upward was driven by such factors as the long winter, which diverted crude oil into home heating oil, and the substantial short-term reduction of California refining capacity; neither of these could be affected by federal government policy changes. Americans just don't tolerate high gas prices or taxes very well (see Krauthammer 1996).

So instead of the high gas taxes that every other country levies, the United States has tried to accomplish energy conservation by a less direct approach, with the CAFE standards. The CAFE program requires each automobile manufacturer to produce a fleet of cars each year that achieves a prescribed average fuel economy. They can't produce only gas guzzlers; each manufacturer must also include some more fuel-efficient cars in its mix of models. This approach has the political virtue of imposing costs much less visibly and directly than a high gas tax would. Individual drivers aren't reminded of the cost every time they fill up at the pump.

But the CAFE approach builds in a lot of perverse inefficiencies, as Nivola and Crandall (1995) demonstrate. Manufacturers may build a certain number of smaller cars, for instance, but there's no discouraging their owners from driving as far and as fast as they can, thus burning gas. Consumers get around the standards by such devices as buying trucks or truck-like vehicles that aren't part of the regime. There's always the option of souping up the car after it's manufactured. None of these evasive measures would work if gasoline prices were really high: The more you would consume, the more you would pay. Meanwhile, CAFE regulations have their own burdens—paperwork, testing of automobiles, demonstrating that the requirements are being met, and the like.

Again, American ideology militates against a straightforward, practical policy in favor of a convoluted, inefficient, and ultimately ineffective approach. We could do with less adherence to this ideology of limited government and low taxes, and with more pragmatism. Furthermore, to be practical about it, we could "get the job done" much more directly and efficiently, by raising gas taxes.

My second example of the excesses of ideology is the takeover of the House of Representatives by the Republicans in 1994, the first time in forty years that the Republicans controlled the House. Most of them had signed the principles contained in the Contract with America, a document

promising that if elected, they would vote for and work for various changes in public policy, like a balanced budget constitutional amendment, lower taxes, campaign finance and lobbying reform, welfare reform, and many other measures. They didn't regard these principles as a bunch of empty campaign promises. So when Republicans captured majorities in both the House and the Senate, the House Republicans set about to enact the Contract's provisions.

One of their problems was President Clinton. After quite a lot of intense negotiation, the conservative ideologues among the House Republicans did reach compromises with the more moderate Senate Republicans on many issues. But President Clinton vetoed the Republican versions of a seven-year budget-balancing plan, welfare reform, tax cuts, and several other bills that they had passed. He also vetoed several of the annual appropriations bills, without which government agencies cannot operate. Republicans decided to challenge Clinton over those annual appropriations by refusing to pass bills that he was willing to sign. As a result, the federal government partially shut down for an unprecedented several weeks on two different occasions in 1995–96.

The Republicans hadn't counted on what happened next. The public blamed them, not the president, for the impasse and shutdowns. Republican members of Congress thought that the election of 1994 had given them a mandate to enact the provisions of the Contract with America, and they further believed that the public, tired of politicians who don't deliver on their promises, would approve of the lengths to which they went to stand by their principles. Quite the opposite happened. The public, as far as can be judged by opinion polls, was uneasy about the Republicans' ideological rigidity and would actually have preferred them to compromise on their principles and promises more than they did. Finally, the Republicans did pass appropriations bills that the president signed, and the federal government finished out the fiscal year without further disruption.

The 1996 negotiations between the Republicans and the administration on a balanced budget by the year 2002, on the other hand, fell apart amidst bitter recrimination. Democrats accused Republicans of cutting Medicare to finance tax cuts for the rich. Republicans accused President Clinton of generating balanced budget proposals by using deceptive accounting gimmicks that wouldn't work and charged Democrats with failure to make fundamental changes in Medicare and Medicaid. So in 1996, everybody put off multiyear budget-balancing plans.

Part of this story, of course, was a matter of electoral calculation. The Democrats figured they could paint the Republicans as extremist enemies of Medicare. The Republicans figured that if they negotiated a balanced budget deal with President Clinton before the 1996 election, he would get the credit, not they. So it might be better to continue the impasse, complain to the voters that tax-and-spend Democrats were responsible, and claim that the only recourse would be to elect a Republican president in 1996 to go along with a Republican Congress.

But the other part of the story was the House Republicans' ideological rigidity. Many of them were convinced that they were right and that the electorate had sent them to Washington to stick to their principles. So they took the position that they were not going to compromise, even if it meant shutting down the government, taking a bath in the polls, casting their own reelection chances into considerable doubt, and placing their presidential nominee in a difficult spot. The result was that they not only paid an electoral price but also failed to achieve much of what they had set out to accomplish. A little pragmatism and flexibility would have gone a long way, in both electoral and public policy terms.

Many of the House Republicans realized the disadvantages of ideology and the virtues of pragmatism just in time. At the end of the session in 1996, the Republican Congress passed a flurry of legislation, including welfare reform, an increase in the minimum wage, the Kassebaum-Kennedy health care bill, telecommunications reform, and appropriations bills—all of which President Clinton signed. Incumbents could then go back to their constituents and fend off charges that they had accomplished nothing. Republicans did lose seats in the election of 1996, but they managed to retain control of the House. And impressed with the virtues of pragmatism, they negotiated and passed a balanced budget and tax package in 1997. Pragmatism and compromise served them much better than ideology and "standing on principle."

Both of these stories—the CAFE standards and the actions of House Republicans in 1995–96—illustrate the virtues of pragmatism and the burdens of ideological rigidity. Emphasizing those virtues runs directly counter to many people's gut reactions. They prize "standing up for what you believe in," and "profiles in courage." My point is not that people shouldn't stand by their principles, or that they shouldn't believe firmly in their values. Of course policy decisions must be guided by principles. And of course vigorous debates about fundamental values are central to democratic processes. It's just that people should come to the point at which they ask themselves whether they're achieving their goals in a sensible way (see Gilmour 1995).

Contrast these two stories of ideology getting in the way of action with a pragmatic approach to environmental policy that learns from experience and eschews ideological rigidity. Rabe (1997) points out that each of three general propositions—that federal environmental regulation is misguided, that regulatory authority should be devolved to the states, and that other countries' emphasis on consensus is superior—has some merit. But in crucial respects, each is wrong as well. The Environmental Protection Agency (EPA) has actually launched several initiatives that deliver both environmental improvement and administrative flexibility; devolution has sometimes worked and has sometimes backfired, partly due to uneven state capacity and commitment; and some other countries' emphasis on consensus has actually not worked well in practice. An ideological stance that automatically decries the American environmental regulatory regime

across the board misses such subtleties. What is needed instead is a hard-headed, practical examination of the conditions under which regulation, devolution, and consensus work and the conditions under which they do not. Rabe (1997:233) concludes that "the greatest challenge facing environmental policy analysts is avoiding the tendency for sweeping generalization and instead seeking a more systematic understanding of what does—and does not—work." A good dose of pragmatism would go a long way.

Huntington (1981) goes on to argue that American politics is characterized by periods of "creedal passion," including the original Revolution, the Jacksonian period, the Progressive period, and the 1960s. He says (1981:11), "America has been spared class conflicts in order to have moral convulsions." Hofstadter (1963:15) puts it this way: "The most prominent and pervasive failing [of American political culture] is a certain proneness to fits of moral crusading that would be fatal if they were not sooner or later tempered with a measure of apathy and common sense." Huntington (1981:39) believes that this situation is directly attributable to the American Creed, because any governmental or political regime must include some elements of hierarchy, power, and superordination and subordination, the very things that the American Creed challenges. In some respects, therefore, Huntington finds that the American Creed may be unworkable, and that there is an inherent gap between American ideals and American practices.

It is beyond the scope of this brief book to sort out fully the ways in which the prevailing American ideology serves us well or ill. On the up side, the American economy surely looks robust these days (as of early 1998), featuring steady economic growth, low inflation, and low unemployment compared to most other industrialized countries. Part of this performance can reasonably be attributed to American ideas about how a capitalist system should work. American business firms can lay off employees and trim payrolls largely at will, for instance—latitude that not all countries share. The same latitude equally implies a certain American ruthlessness and job insecurity, which probably does some damage to our social fabric. But it also does result in an ability to adapt to changing markets and a potential for greater leanness and efficiency.

But there are down sides as well. That same economy, for instance, produces a far greater gap between rich and poor than is found in other countries. The American tendency to regulate and rely on courts, rather than to tax and spend and rely on bureaucrats, produces the inefficiencies, inequalities, and even perverse results that we have discussed. The less ambitious public policy regime results in significant gaps in attention to such basic needs as health care, housing, and transportation.

American distrust of government also has the ironic consequence of weakening government capacity to the point that a self-confirming cycle sets in. Americans don't trust government, so they don't invest in it, so government doesn't work as well as it might, and the fears that government can never get anything right are thereby confirmed (see Morone 1990:332).

This cycle may even help explain low voting turnout in the United States, since a relatively weak and ineffective government promotes the view that participation won't matter anyway. Reforms aimed at weakening political parties, furthermore, combined with the advent of mass media technologies that allow politicians to appeal directly to voters without party intermediaries, have also diminished turnout (Rosenstone and Hansen 1993). To the extent that people used to vote because the party organizations brought them to the polls, decline in those organizations has contributed to the decline in turnout. Again, distrust of government and politics has its disadvantages.

Here's a very rough first cut at figuring out the pluses and minuses of the prevailing American ideology: American ideas work well in economic spheres—resulting in capitalist efficiencies, economic growth, high employment, job creation, low inflation, and generally admirable performance and competitiveness—but less well in spheres of social policy, where they result in inequalities, inattention to disadvantaged people, persistent poverty in the richest country on earth, and unnecessarily complicated regulatory and tax regimes. As I noted above, for example, instead of directly subsidizing social purposes, American public policy tends to regulate the private sector or to use tax credits and deductions, thereby introducing unnecessary ineffiencies and distortions.

But I'm not entirely confident even of that rough and ready distinction between economic and social spheres. Indeed, my difficulty in assessing the pluses and minuses of the prevailing American ideology may illustrate a more important point: Perhaps there is no way to make such an evaluation in the abstract. A struggle to state a set of general principles that would govern decisions about when the state is too big or too small, when government interventions in the economy and society are or are not appropriate, how balances between freedom and equality should be struck, and so on may be futile. Neither an impulse to devise government solutions to social and economic problems nor a stance that maintains that government never gets anything right serves us well. It's possible, in any event, that we should be guided by pragmatism and experience rather than ideology, abstraction, or general principles.

There is an additional reason for greater pragmatism: our institutions. Our fragmented system, with separation of powers, checks and balances, bicameralism, federalism, and weak political parties, is extremely hard to mobilize and lead. We could dream of a parliamentary system, and some Americans have. How different things are in Britain, for instance. Tony Blair's New Labour won an election one day, was installed in office the following morning, and within days thereafter took such dramatic steps as turning control of setting interest rates over to the central bank: Bang, bang, bang, just like that.

But parliamentary systems have their disadvantages as well, including less flexibility and a tendency to sharp changes in public policies following election results. Even if we wanted a parliamentary system, furthermore,

the possibility of actually fashioning one in the United States is extremely remote. We could make our institutions a bit more conducive to mobilization at the margins if we wanted to. The U.S. Senate, for instance, could act to trim the considerable ability of individual senators to tie the institution up in knots if it were to adopt a rules change to end filibusters more easily and abandon the practice of allowing individual senators to put holds on nominations and bills. Even those marginal measures, however, would take a considerable investment of political credit and energy.

If we won't see a fundamental change in the structure of our institutions, and I'm confident that we won't, then pragmatism and "common sense" are the only ways to run them. As the House Republicans discovered, insisting on ideology to the point of sinking along with the ship neither accomplishes one's objectives nor serves one's electoral interests. Negotiating the bargains and cutting the deals necessary to run government in this terribly fragmented institutional setting takes a good bit of ideological flexibility and a considerable willingess to compromise on one's principles.

But pragmatism, in my view, does not necessarily imply either incrementalism, or compromise, or any particular ideological stance. Upon a hardheaded, practical examination of a given policy, we might well conclude that radical change is needed and that small, incremental steps won't do. Some such changes might move in a direction that convention would describe as "conservative," others as "liberal." A searching examination might lead us to scrap the tax code and replace it with a radically simpler system, for instance, whereas a similar consideration might lead us to comprehensive national health insurance. In other cases, incremental adjustments might work. I don't think a pragmatic approach, in any event, necessarily leads to incrementalism, to automatic compromise, or to any particular ideological position. And history shows us that huge, nonincremental policy changes are possible even in this system.

Again, I think that too great an insistence on the "American way" prevents us from learning from the experience of other countries. But more than that, it prevents us from being straightforward and sensible. We substitute convoluted regulation for direct government programs, for instance, or an impossibly complex tax code of deductions and credits for straightforward government subsidies. Ideology in general has its down side. The prevailing American ideology in particular also has specific disadvantages. A little pragmatism can go a long way.

THE FUTURE

In some respects, the prevailing American ideology I have described in the pages of this book has served us beautifully. There's a good bit of writing (e.g., Nivola 1997) to the effect that the American economy is particularly robust, with excellent growth rates and rather low unemployment by inter-

national standards. Part of the reason for this relative economic health might be that less of the American economy is tied up in the public sector, including various aspects of a welfare state such as pensions, health care, and family allowances. Suspicion of government has also led to less government regulation, at least in such areas as employment practices and retail trade. As the American economy has performed well compared to other economies in the last decade or so, other countries have been trying to emulate the United States in some respects—seriously considering downsizing government, paring back their social welfare commitments, privatizing functions that have been governmental, and lessening the burden of regulation.

As the economists say, however, there's no free lunch. We Americans pay a price for our ideology and our practices. We don't cover our entire population with health insurance. We tolerate a much greater gap between rich and poor, and have persistent poverty despite being the richest country on earth. We have less impressive commuter and long-distance passenger rail services. Other countries provide for much longer paid vacations than we do and pay a price in economic inefficiency; but their citizens do enjoy their vacations. There are trade-offs to everything. Either explicitly or implicitly, other industrialized countries have chosen to provide various government benefits and to pay the price for them in higher taxes and some economic inefficiency. Americans have chosen to strike the balance in the other direction.

Regardless of how we assess the pluses and minuses of the American way of doing governmental business, we may well be entering a period in which we will become impressed with the problems which the prevailing American ideology does not help us address. The United States, like many other countries, is facing a set of new problems that may overwhelm our customary ways of thinking about the proper role of government and may prompt us to think about new directions. Conversely, in an era of increasing global interdependence, other countries may find that they must change their customary ways of doing business. As trade becomes more free, for instance, they may find that lengthy paid vacations hurt their competitiveness. Interdependence may prompt less national distinctiveness over the long run than has existed in the past.

The world is facing some stark demographic trends, for one thing. Population is growing exponentially. The World Bank projects that by 2050, there will be 9.8 billion people on earth, an increase of 73 percent from the current 5.7 billion and a quadrupling of the world's population in just one hundred years (*Washington Post* 1996). Increasing food production has allowed humankind to stave off mass starvation so far, although regional shortages of land and food have already produced starvation, refugees, and violent conflict in some instances (Brown 1997:115). Successfully dealing with this population pressure may require many countries to use a greater level of coordination and planning than has been used tra-

ditionally, and may require fundamental cultural, economic, and political changes.

Demographic trends affect industrialized societies in other ways. The population in the United States and in other industrialized countries is aging, for one thing. It used to be that there were plenty of American workers for every retiree on social security and Medicare, enough to finance these programs for older Americans through payroll taxes without undue strain. But by 1995, there were only three workers for every retiree, and by 2035 the ratio will shrink to 2:1 (Aaron 1997:19). Clearly, some adjustments are necessary. And the day of reckoning is fast approaching.

Every industrialized country is grappling with the same aging of the population. In fact, the United States is not in as serious a position as some others. By 2030, the ratio of people past age sixty-four to those aged fifteen to sixty-four will be about 30 percent in the United States, 40 percent in France and Great Britain, and 50 percent in Germany and Japan (Bosworth and Burtless 1997). Within the United States, furthermore, there will be fewer children and nonworking adults over time compared to the number of workers, which presumably frees resources to support retirees (Aaron 1997). So it's possible that the American crunch created by the retirement of baby boomers in the first half of the twenty-first century will be manageable if we plan for it, and will not require radical surgery. In this case, pragmatism may prompt incremental changes in social security, rather than entirely new approaches.

Another fact many people in industrialized countries do not fully appreciate is the extent to which they consume. Population growth itself isn't the only source of concern about the capacity of the globe's resources to support humankind. Consumption is also a problem. We're burning up scarce resources at a terrific clip, and most of that consumption is in industrialized countries. The annual population increase in the United States of 2.6 million people, for instance, puts more pressure on the world's resources than India's annual increase of 17 million, because Americans consume so much more food, steel, wood, and energy (Brown 1997:19). We may be approaching a time, though exactly when is far from clear, when we can't continue this sort of binge, because the globe won't sustain it.

If we are to address such a problem, the traditional American emphasis on individual autonomy, and the customary American suspicion of collective action and governmental initiative, may have to bend significantly. It's hard to imagine a way that both allows people to go their own way and still addresses this sort of societal and global problem.

But demographic trends and consumption aren't the only conditions that the traditional prevailing American ideology doesn't address very well. The country, indeed the entire world, faces a set of environmental problems that call for a more collective solution than our usual individual autonomy allows. It's pretty well understood by now that ozone depletion

and greenhouse gases, for instance, are at least partly caused by the by-products of modern civilization. As we release chlorofluorocarbons (CFCs) into the upper atmosphere, we break down the ozone that protects us all. And as we burn fossil fuels, we create a greenhouse effect which contributes to global climate change. Global carbon emissions from the burning of fossil fuels have roughly tripled since 1960 (Brown 1997:10). Both trends—ozone depletion and global warming—at the most pessimistic estimates, could constitute disasters. Even at the most optimistic, they are serious problems.

Such problems as environmental degradation cannot be solved by letting everybody go their own way. Things like a clean environment or the national defense are, in the scholarly parlance, "collective goods," meaning that each person shares in the enjoyment of the good whether or not he or she contributes to its generation (see Olson 1965). I will enjoy cleaner air, for instance, whether or not I individually and voluntarily put a catalytic converter on my own car. I will be protected by the national defense system whether or not I volunteer to serve in the armed forces or voluntarily write checks to the Pentagon. In other words, when it comes to collective goods, I have every incentive to be a "free rider." I can save the price of the catalytic converter out of my own pocket, for example, secure in the knowledge that my individual converter won't increase my ability to enjoy clean air.

Individual autonomy will not provide for collective goods like environmental preservation or national defense. Societies, often through their governments, must either provide incentives for people to contribute or take measures to require them to do so. Incentives include effluent fees if a company discharges more than a certain amount of waste into a river, for example, or tax credits for installing insulation or solar heating. In the case of national defense, incentives include the GI bill and reenlistment bonuses to make military service more attractive. Requirements include mandating catalytic converters on new automobiles, instituting a military draft, or levying taxes to finance national defense. Both incentive and requirement strategies interfere with the individual autonomy Americans have traditionally prized.

As we become more aware of the global environmental costs of industrialized civilization, we may discover that we cannot afford the luxury of as much individual autonomy as we have been enjoying. "We" also refers to countries as well as individuals. The Europeans at the Earth Summit in June 1997, for instance, expressed their impatience with American hesitation over reducing releases of carbon dioxide, pointing out that climate change is a worldwide problem that defies national boundaries. And it is true that the United States, with 5 percent of the world's population, produces 23 percent of the world's carbon emissions, far more than any other country (Brown 1997:8).

The point is that we—countries and individuals—will be obliged to rein in our tendency to do our own thing, in the interests of preserving the

environment for everybody and for future generations. We have already started this process through current environmental regulations and international agreements. Emissions of CFCs are falling, for instance, due to international efforts to protect the world's ozone layer (Brown 1997:151). Some agreements on greenhouse gases were reached in Kyoto, Japan, in 1997. We will have to continue with, and accelerate, these and other such efforts.

These environmental issues are but one manifestation of the larger process of globalization. The march of communications and transportation technology, for one thing, has shrunk the world. Countries have also become more interdependent economically. As I indicated toward the end of Chapter 4, a certain degree of isolation has historically enabled Americans to develop and nurture a distinctive tradition of individual autonomy and limited government. As countries become more interdependent, they must adjust to the practices of others.

In some respects, other countries may emulate the United States. The robust American economy looks in early 1998 to be the envy of the world. Other countries may find America's relatively limited government, small public sector, and laissez-faire free market system attractive. But in other ways, we may find it useful to emulate them. Given that our public sector is smaller than theirs, we do have some room to raise taxes for public purposes if that is what we choose to do. We may choose not to, for good political and economic reasons; I'm only saying that we could raise taxes if we wanted to. The degree to which we move in their direction, the degree to which they move in ours, or indeed the degree to which any movement takes place at all are all difficult to predict.

In the short run at least, however, there is increasing divergence rather than convergence, among industrialized countries, at least as measured by the differences among their public expenditures as a percentage of GDP (Rose 1991:213). Many European countries, furthermore, will resist efforts to trim the welfare state too far. In the 1997 French elections, for example, public unhappiness with the government's efforts to cut back on social programs to meet European monetary union requirements resulted in a solid victory for leftist parties. Similar unhappiness resulted in protests and moves to preserve the welfare state in several other European countries.

Increasing interdependence may conceivably produce more similarity across countries in the long run. If so, American distinctiveness will diminish. But the durability of both political culture and institutions will also preserve many differences among countries. It is hard to believe that most European countries, even in the face of admiration of the performance of the American economy, will abandon their welfare states and move to adopt a thoroughgoing American-style capitalist system. They will probably find ways to trim back their government programs rather than dismantle them. It's equally unlikely, actually more unlikely, that Americans will move in the direction of a lust-to-dust welfare state. In fact, the current direction in American politics is exactly the opposite.

As we continue the process of increasing global interdependence, we may find that we will not necessarily be forced to make a stark choice between American-style relatively unfettered capitalism with limited government and European-style social programs and economic interventions. It might be possible to have both robust, growing economies and social programs and economic security (Pearlstein and Blustein 1997). But devising such an approach requires a bit of ideological flexibility. Just as the French may need to revise their policies of government intervention in such workplace issues as layoffs and hours, Americans may need to revise their views on government provision of various social benefits. But a happy medium may be possible if we are willing to consider pragmatically, in the light of experience, what works and what does not.

One major argument of this book has been that a set of historical circumstances produced the prevailing American ideology responsible for the manifestations of limited government in our public policies and institutions. If a theory of path dependence is right, then America will continue that tradition for a good long while. But a pattern of path dependence is also replete with new choices and possible new directions. If these historical circumstances change, as a result of either increasing globalization, for example, or overwhelming pressures of demographic or environmental problems, America will be forced to adapt. My hope is that there is enough pragmatism and flexibility left in the American political culture to enable us to adapt to changing conditions successfully.