

DISCUSSION GUIDE FOR  
“GOVERNANCE AND CORRUPTION”  
a video interview with Dr. Francis Fukuyama



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- Materials**
- Handout 1, *Video Notes*, pp. 7–8, 30 copies
  - Handout 2, *The USDA and the Patronage System*, pp. 9–11, 30 copies (optional)
  - Projection 1, *WGI Maps (1 of 3)*, p. 12 (optional)
  - Projection 2, *WGI Maps (2 of 3)*, p. 13 (optional)
  - Projection 3, *WGI Maps (3 of 3)*, p. 14 (optional)
  - Projection 4, *Written Reflections*, p. 15 (optional)
  - Teacher Information, *Video Transcript*, pp. 16–19
  - “Governance and Corruption” video, online at <http://spice.fsi.stanford.edu/multimedia/governance-and-corruption>
  - “WGI Maps” presentation, online at <http://spice.fsi.stanford.edu/multimedia/governance-and-corruption> (optional)

- Equipment**
- Computer with Internet access and speakers
  - Computer projector

- Teacher Preparation**
- Instructions and materials are based on a class size of 30 students. Adjust accordingly for different class sizes.
1. Make the appropriate number of copies of handouts.
  2. Set up and test computer, projector, speakers, and video before starting the lesson. Confirm that you are able to play the video with adequate audio volume.

- Procedures
1. Begin the lesson by engaging students in a brief discussion about governance. Some suggested discussion points are provided below.
    - Governments around the world take many different forms, and there are numerous terms we can use to describe them—democratic, autocratic, oligarchic, constitutional, parliamentary, presidential, representative, authoritarian, republican, federal, socialist, and so on.
    - Regardless of a government’s specific form, it can be evaluated on its ability to govern. In other words, we can ask, “How good is this government at actually governing?” or “How good is this country’s governance?”
    - There are many possible criteria by which governance can be measured. What are some criteria you can think of that might suggest how well a country is governed? (Hint: Think of qualities that characterize well-governed countries versus poorly governed countries.) *Student responses will vary, but possible criteria include: how representative a government is of its people’s interests, how successfully it meets the needs of its people, how efficient it is, how responsive it is, how corrupt it is, and how effectively it upholds the rule of law.*
    - Many people assume that some forms of government (e.g., democratic) imply better governance than others (e.g., authoritarian). While this is sometimes true, it is not necessarily true. For example, certain authoritarian governments may be perceived to be more efficient or better able to meet their citizens’ needs than some gridlocked democratic governments.
  2. Inform students that they will now consider governance in greater depth by listening to a scholar share his thoughts on the topic. Distribute one copy of Handout 1, *Video Notes*, to each student, and instruct students to complete the handout as they view the video. Allow students to read through the handout before they watch the video.
  3. Play and project the video “Governance and Corruption.” If necessary, allow students some time after the video ends to finalize their notes.
  4. Lead a classroom discussion to review and debrief the video. Some suggested discussion points are provided below. (Those marked with asterisks involve discussion that goes beyond the scope of the video itself.)
    - How does Fukuyama define governance? *It is “the ability of a government to deliver the basic services—security, education, health, infrastructure—that governments are supposed to be able to provide their citizens.”*
    - \* Fukuyama names four examples of basic services that governments should provide their citizens: security, education, health, and infrastructure. Do you agree with these examples? Are there other services you think should be included in this list? If so, what are they, and why?

- \* What, at minimum, should a government provide its citizens? More broadly, what is a government's responsibility to its citizens? What is the relationship between government and governed?
- What makes poor countries poor? *Fukuyama says it is the lack of institutions that makes poor countries poor, not the lack of resources.*
- \* Fukuyama gives three examples of institutions: property rights, stability, and the rule of law. Why do you think each of these institutions is important for good governance? For economic growth?
- \* How are these institutions (i.e., property rights, stability, the rule of law) achieved? Why aren't they in every country? What forces work against these institutions? Who benefits when these institutions are weakened?
- What are the consequences of corruption? *Fukuyama says "there are both economic and political consequences to corruption." He provides several examples: "corruption is unfair" and transfers wealth to elites; "it distorts public priorities" and government spending; "it delegitimizes otherwise democratic regimes" and weakens their ability to provide services to their citizens; and it can lead "to very poor quality government." In severe cases, corruption can lead to widespread, continuing poverty, even "in a country with a lot of riches."*
- How and why did the U.S. patronage system of the 19th century come to an end? *As Fukuyama tells it, Americans were sick of corruption and began to mobilize during the Progressive Era. They advocated for the Pendleton Act (1883), which created the U.S. Civil Service Commission and required that federal civil servants be hired based on merit rather than political affiliation.*
- Some of Fukuyama's research was inspired by the work of political scientist Samuel Huntington. What was the main message of Huntington's 1968 book, and how did his message differ from previous theory? *Before Huntington's book, the prevailing theory of modernization was that "all good things...go together" — that economic growth, social mobilization, and the growth of citizens' individual freedoms all supported each other and eventually led to modern democracy. Huntington critiqued this theory, saying that "all good things do not go together" — that economic growth does spur greater demands for political participation, but that these demands do not necessarily lead to democracy. Instead, if these demands are not met, "you get coups, civil wars, and a lot of political instability."*
- \* In the video, Fukuyama says that "there are certain trade-offs that you have to make between, for example, good governance on the one hand, and democracy and popular participation on the other. Because good governance requires merit, expertise, technical knowledge, authority, and the like, and...democracy demands popular participation." What do you take this to mean? Do you agree or disagree, and why?

- Fukuyama thinks that political decay comes from two sources. What are they? (1) *Institutional and cognitive rigidity*, (2) *the elite capture of institutions*
- What are some examples of institutional and cognitive rigidity? *Fukuyama provides three examples: religious doctrines, Marxism, modern neoclassical economics.*
- What does he mean by “the elite capture of institutions,” and how does he see this phenomenon applying to the United States today? *Fukuyama describes the phenomenon as when “the rich and the powerful...use their access to the political system to politically protect their interests.” In the contemporary United States, this can be seen in how “lobbyists [and] interest groups...exert influence way beyond what they actually represent in the population.”*
- Why has U.S. influence in international affairs diminished? What effect has this had on the appeal of democracy? *Fukuyama thinks that the current polarization and dysfunction in U.S. politics is partly to blame for the United States’ diminishing standing in the world. (He also mentions the U.S. wars in Afghanistan and Iraq as contributing factors.) Because the appeal of democracy for many countries is rooted in “their vision of America,” the appeal of democracy has also diminished. He says that “until we get our house in order, that projection of our values and institutions”—e.g., democracy—“is going to be very much more difficult.”*

### Optional Activities

For a more in-depth exploration of the topics and themes raised in the video, a list of activity ideas is provided below.

- *Good governance case studies.* In his interview, Dr. Francis Fukuyama names Denmark, Germany, Japan, and Britain as examples of “modern, relatively clean, uncorrupt, effective” states. How did these countries successfully become this way? What factors helped or hindered them along the way? Divide students into small research groups, each responsible for tracing and explaining the successful modernization of one of these four countries. Students can then share their research with each other via jigsaw-style sharing or traditional group presentations.

Note: This activity can be combined with the “patronage and corruption case studies” activity below.

- *Patronage and corruption case studies.* Dr. Fukuyama says that “many developing countries...experience patronage and clientelism.” (Definition: **clientelism**—a social order that depends upon relations of patronage; in particular, a political approach that emphasizes or exploits such relations.) He cites modern India, Brazil, and Mexico as examples of countries where “[many] politicians are in the habit of basically doling out public money in order to generate political support.” How and why do these countries operate this way? Divide students into small research groups, each responsible for researching

how corruption and/or patronage politics manifests in one of these three countries. (For example, students can investigate the following questions: “Does ‘vote-buying’ occur in this country, and if so, how does it usually work? What are some known examples of this practice?” “What recent political scandals and/or cases of corruption have been reported?”) Students can then share their research with each other via jigsaw-style sharing or traditional group presentations. Note: This activity can be combined with the “good governance case studies” activity above.

- *Measuring good governance.* “Good governance” is a complex and multifaceted concept that has no universally accepted definition (just as “democracy” has no single definition) yet remains a powerful notion. A key question about good governance is how to measure it. In other words, what does “good governance” actually consist of, how do we measure its individual facets, and how do we combine these facets into a single measurement of good governance? Instruct students to research the World Bank’s “Worldwide Governance Indicators” (WGI) project, one of the most notable governance-measurement efforts. (Information on the WGI project can be found online at <http://www.worldbank.org>.) After students have read about the WGI project and the six “dimensions” of governance it identifies, engage students in an examination of the WGI dimensions. How does each dimension contribute to good governance? Which dimensions seem more or less essential to you, and why? Do you agree with their inclusion? Are there any other dimensions that should be taken into consideration, and why? Can you think of any (other) criticisms of this measurement system? Students can be engaged in direct discussion (either small-group or full-class) or asked to complete a writing assignment.

Note: This activity can be combined with the “examining WGI maps” activity below.

- *Examining WGI maps.* The WGI project not only identifies six dimensions of governance; it scores and ranks each country on these dimensions, too. Engage students in an examination of these country-by-country rankings. Display Projections 1–3, *WGI Maps\** (or the “WGI Maps” presentation, for easier viewing), and inform students that these maps are color-coded to show how countries’ scores rank against each other on each dimension (darker color = higher rank). Note that a country’s color shifts from map to map; this shows that countries often score better on some dimensions than others. For example, compare China and India. One is an undemocratic authoritarian state; the other is the largest and arguably most complex democracy in the world. In Projection 1, which shows “control of corruption” and “government effectiveness,” China and India score similarly. In Projection 2, which shows “political stability and absence

\* The maps that appear on Projections 1–3 show the WGI project’s 2012 rankings, the most recent data available at time of publishing. Updated maps (and raw data) can be accessed online at <http://databank.worldbank.org>.

of violence/terrorism” and “regulatory quality,” China scores higher than India. In Projection 3, which shows “rule of law” and “voice and accountability,” India scores higher than China. Similar flip-flopping occurs for other countries, as well. Ask students to consider the value of these maps and data. What do they reveal about the world? Are there any geographical patterns you observe? How do these maps connect with what you already know about the world, in terms of human geography, economics, and history (e.g., colonialism, wars, independence movements, industrialization and development history, spread of religions/philosophies/political thought, etc.)?

Note: This activity can be combined with the “measuring good governance” activity above.

- *Written reflections.* Display Projection 4, *Written Reflections*. Ask students to consider one or more of the displayed questions about governance and compose a written response. (The questions on Projection 4 also appear above as the video-debriefing questions marked with asterisks.)
- *U.S. patronage system.* In the video, Dr. Fukuyama describes the political patronage system that existed in the United States during the 19th century, and how it started to finally collapse in the 1880s. Assign students to research this American anti-corruption movement. Students can investigate questions such as the following. How and when did the patronage system come to be? How and why was this system abolished starting in the 1880s? What was Tammany Hall, and what was its role in U.S. politics? What exactly did the Pendleton Act do, and how did it help dismantle the patronage system? Why did it take until the 1920s or 1930s (“almost two generations”) for the patronage system to finally collapse?
  - Option: To provide students with an example of 19th-century clientelism, distribute one copy of Handout 2, *The USDA and the Patronage System*, to each student. Instruct students to read the case study, which illustrates how the patronage system shaped the role of the USDA at the time, and how the USDA was eventually able to successfully free itself from the system.
  - Extension: Dr. Fukuyama thinks the American anti-corruption movement of the 1880s is “an inspiring story for contemporary developing countries.” What lessons, if any, can contemporary developing countries draw from that episode of U.S. history?

## VIDEO NOTES

*You are about to watch a 14-minute video interview with Dr. Francis Fukuyama, a political scientist and Senior Fellow at Stanford University's Freeman Spogli Institute for International Studies. Dr. Fukuyama will share his thoughts on three related concepts: governance, corruption, and political decay. Use the space below to take notes on his comments.*

**Part 1: What is governance?**

Governance is...

"There's been a critical recognition that \_\_\_\_\_ are really important."

What makes poor countries poor?

**Part 2: What is corruption?**

There are many definitions of corruption, but "most people would say that corruption is \_\_\_\_\_."

Describe some consequences of corruption.

Describe the 19th-century U.S. patronage system (how it worked, how / why it ended).

What was the main message of Samuel Huntington's 1968 book? How did this message differ from previous theory?

**Part 3: What is political decay?**

Describe "institutional and cognitive rigidity," and provide examples.

Describe "the elite capture of institutions," and provide examples.

"For many countries, the appeal of democracy is very much rooted in \_\_\_\_\_  
\_\_\_\_\_."

Why has U.S. influence in international affairs diminished? What effect has this had on the appeal of democracy?



## THE USDA AND THE PATRONAGE SYSTEM

*The following text is an excerpt from “Gifford Pinchot and Sustainable Forest Management,” a case study written by Dr. Fukuyama.\* In the text below, Dr. Fukuyama more fully illustrates some aspects of the 19th-century U.S. political patronage system that he references in his interview. In particular, he describes how the U.S. Department of Agriculture was first affected by—and then eventually overcame—the pervasive patronage politics of the time.*

**Morrill Act**—a U.S. statute that funded “land-grant colleges,” colleges whose mission was focused largely on the teaching of practical agriculture, science, and engineering (as opposed to the traditional liberal arts curriculum)

**agronomy**—the science of soil management and crop production

The U.S. Department of Agriculture (USDA) was founded by President Lincoln in 1861 as part of a developmental strategy to upgrade the productivity of American farms, of a piece with the Morrill Act of the same year that created the system of land-grant colleges (including Penn State, Michigan State, Cornell, Kansas State, Iowa State, and others) that would train a new generation of agronomists. The Department was originally intended to be staffed by scientists, but by the 1880s it acquired a different purpose: the free distribution of seeds. Supported by representatives from farm states, the Congressional Free Seed distribution program came to dominate the agency’s budget toward the end of the century.

Free seed distribution was very much in line with the broader character of American government at the time. Beginning around the time of the election of Andrew Jackson as president in 1828, the federal government was opened up to a system of patronage controlled by the two political parties. Jackson argued that since his party, the Democrats, had won the election, he should get to decide who held government office; he believed, moreover, that serving in the government did not require any special skills. As a result, he distributed jobs to his own supporters. Over the coming decades, employment in the U.S. government would depend entirely on party patronage; across the country, officials in post offices, customs houses, and survey offices would turn over every time there was an election that brought another political party to power. The officials appointed under this system were expected to “donate” ten to fifteen percent of their salaries back to the parties that gave them the jobs.

Political patronage was practiced even more enthusiastically at a local and municipal level. Virtually every large and mid-sized American city in the East and South was run by a patronage machine, whose political bosses would distribute public jobs, cash payments, services, and turkeys on holidays to their constituents in return for votes. While this practice drew thousands of new voters into polling places each election, citizens voted not on the basis of public policies that addressed issues of common concern, but based on which politician would give them and their families a concrete benefit.

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\* Francis Fukuyama of Stanford University prepared this case solely as a basis for class discussion. It is not intended to serve as historical record, a source of primary data, or an illustration of effective or ineffective management.

The ability of politicians to hand out patronage fed a huge amount of corruption across the United States. For example, William Marcy Tweed, or “Boss” Tweed, as he was known, and his Tweed Ring managed to enrich themselves substantially due to their control over public contracting in New York City. Under the influence of the Tweed machine, the New York State legislature authorized a new courthouse in 1858 that was supposed to cost no more than \$250,000. By 1862 the building had not yet been completed and Tweed authorized another million dollars towards its construction. By 1871 the courthouse was still not finished, and total outlays amounted to \$13 million; a special commission was appointed to investigate the project which was itself controlled by Tweed, and which managed to funnel \$14,000 in printing costs for its report to a company owned by Tweed.

**ethos**—the characteristic spirit of a culture, era, or community as manifested in its beliefs and aspirations

**Crédit Mobilier affair**—a scandal that erupted in 1872 involving the construction of the First Transcontinental Railroad

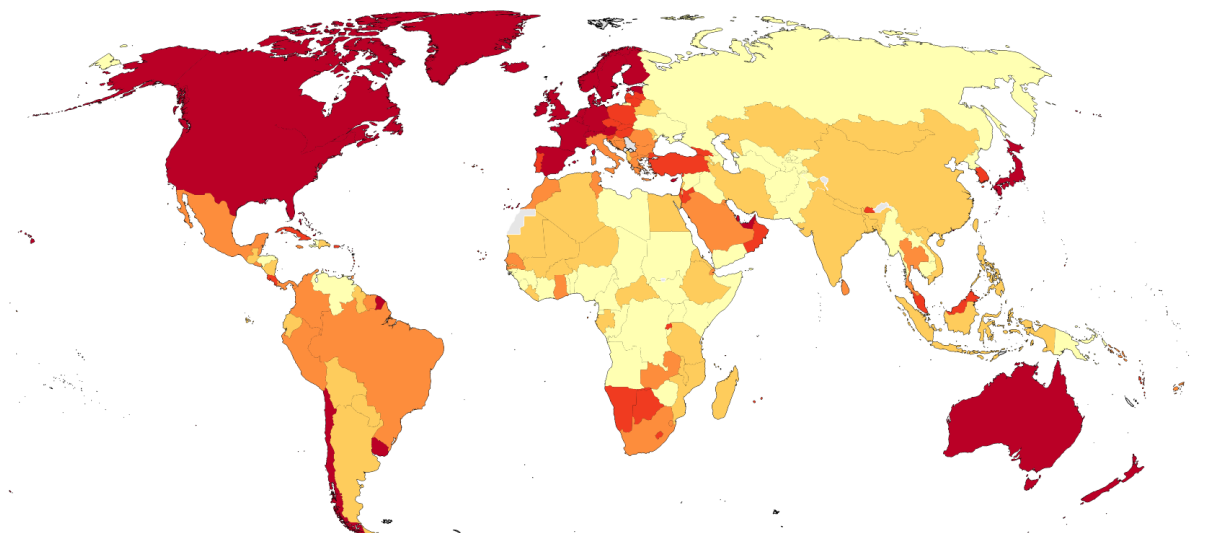
The idea that the U.S. Department of Agriculture’s chief role should be to dole out free seeds to the constituents of Congressmen from rural districts fit in perfectly with the overall ethos of 19th century government. The period after the Civil War was known as the “Gilded Era,” famous for its gross corruption scandals like [the] Crédit Mobilier affair. This began to change only in the 1880s, when the assassination of newly-elected President James A. Garfield by a crazed office-seeker motivated Congress to pass the Pendleton Act. The latter legislation created a U.S. Civil Service Commission and a merit-based system of recruitment and promotion within the U.S. government. While patronage appointments remained pervasive, each year saw the growth of the number of bureaucratic positions protected by classification rules under the Pendleton Act. Applicants for government positions would now have to take a competitive examination, and their educational credentials became increasingly important in hiring decisions.

The USDA was one of the first federal agencies to begin protecting its personnel from political patronage, and began hiring large numbers of recent graduates of the new land-grant colleges who had up-to-date training in scientific agriculture. Many of the Department’s division and bureau chiefs enjoyed relatively long tenure, and could shepherd along an entire generation of new recruits who had no roots in either the patronage or seed-distribution systems. The quality of the bureaucracy was dependent not just on the higher educational achievements of the new entrants, but to the fact that these individuals constituted a network of trust and possessed what has been labeled “social capital.” Much like their counterparts in the legendary German or Japanese bureaucracies of the time, these new officials had similar backgrounds (indeed, often graduating together from the same schools), and embodied a common belief in modern science and the need to employ rational methods to the development of rural communities around the United States. The latter over time became the basis for the organizational ethos of the Agriculture Department, and in particular of one of its key divisions, the U.S. Forest Service...

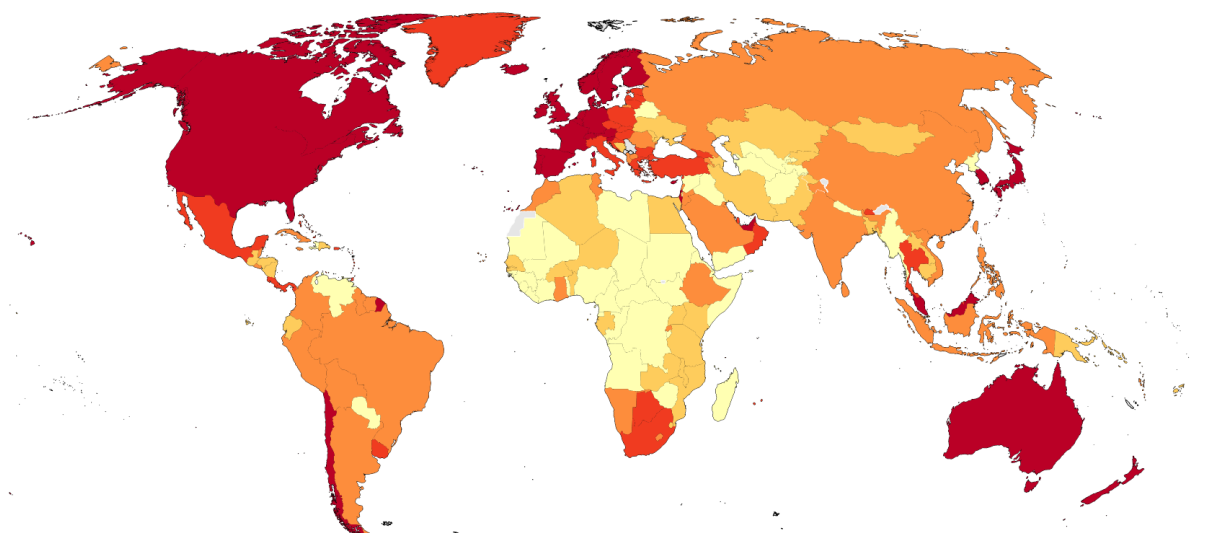
The groundwork for a national forest service was laid by Bernard Fernow, a Prussian immigrant to the United States who had trained at the Münden Academy and the Prussian Forestry Department, which had been a pioneer in developing techniques for the centralized planning of forest management. Fernow on moving to America became active in a number of scientific societies, serving as a secretary in the American Association for the Advancement of Science, and in the American Forest Congress. When Fernow was appointed to head the Agriculture Department's Forestry Division in 1886, it was staffed by two patronage appointees; he used his university and professional networks to begin staffing the organization with highly trained agronomists. He also cultivated an extensive external constituency of local forestry associations, universities, private foresters, and other parties with an interest in forest management, through an aggressive campaign of scientific papers and bulletins. These would all come to serve the Forest Service well in later years.

## WGI Maps (1 of 3)

Map: Control of Corruption (Percentile Rank)

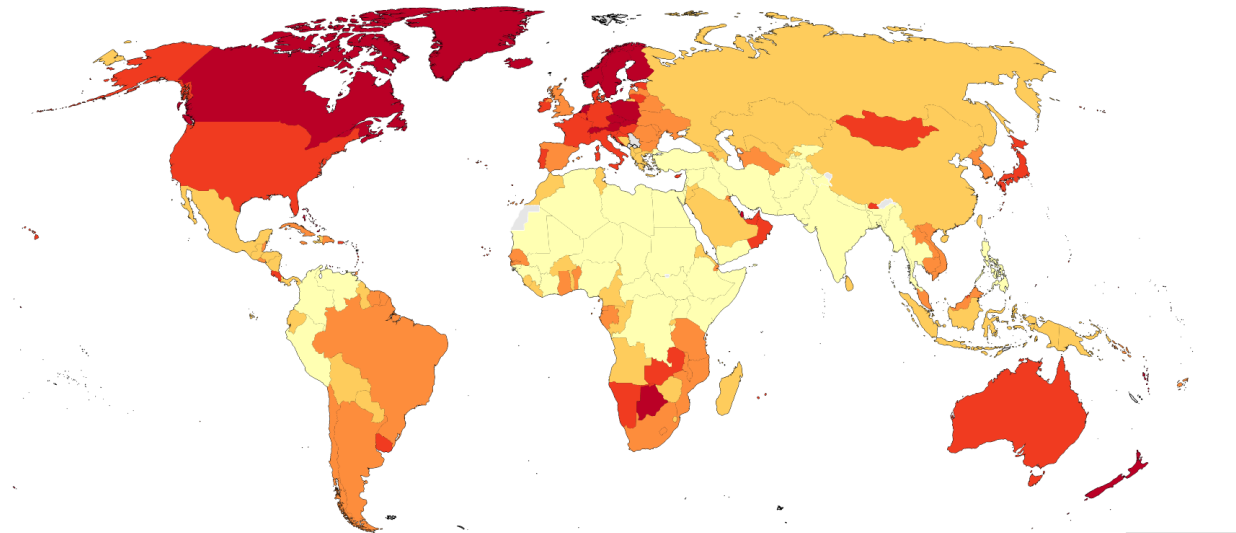


Map: Government Effectiveness (Percentile Rank)

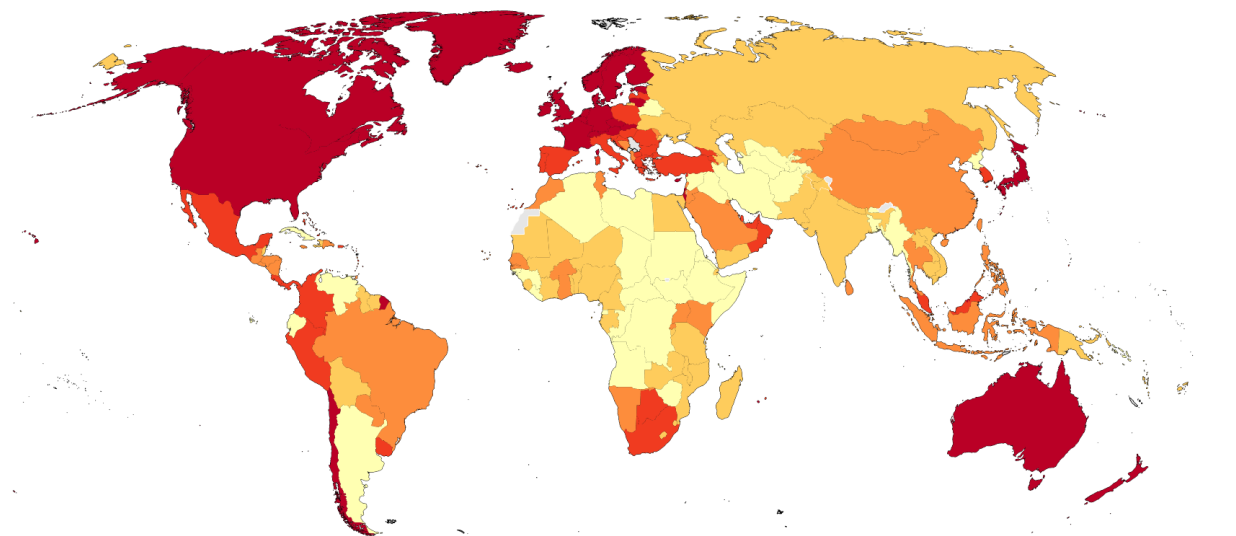


## WGI Maps (2 of 3)

Map: Political Stability and Absence of Violence/Terrorism (Percentile Rank)

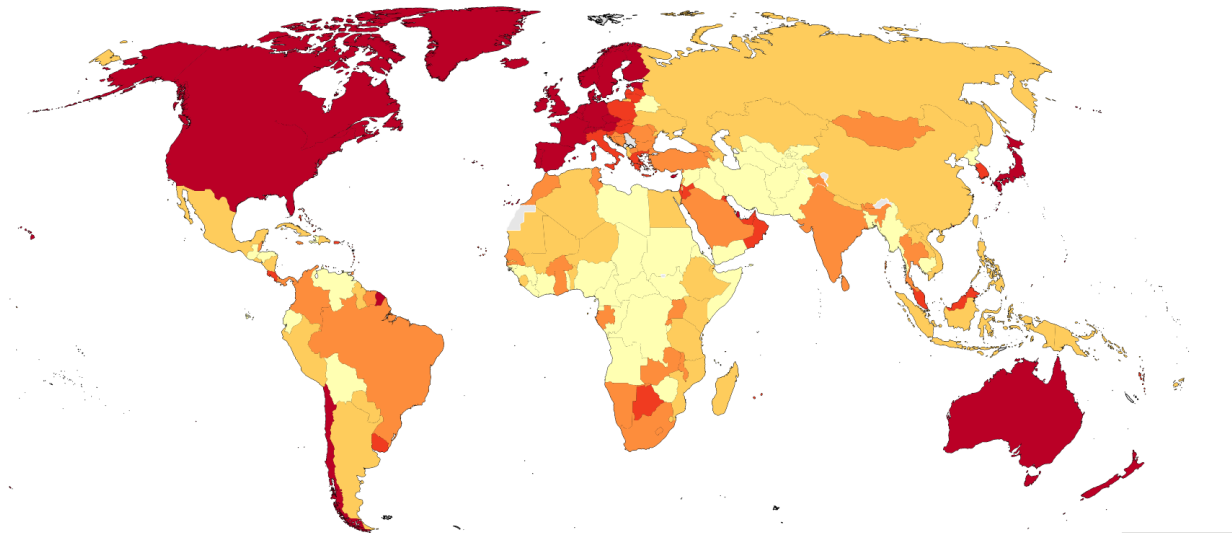


Map: Regulatory Quality (Percentile Rank)

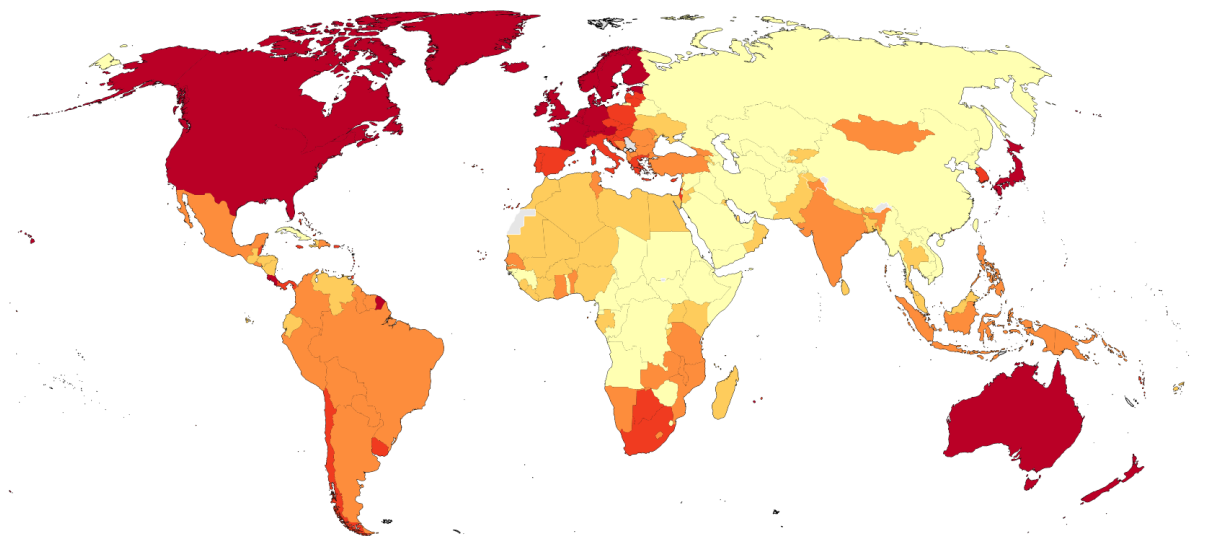


## WGI Maps (3 of 3)

Map: Rule of Law (Percentile Rank)



Map: Voice and Accountability (Percentile Rank)



## Written Reflections

1. Fukuyama names four examples of basic services that governments should provide their citizens: security, education, health, and infrastructure. Do you agree with these examples? Are there other services you think should be included in this list? If so, what are they, and why?
2. What, at minimum, should a government provide its citizens? More broadly, what is a government's responsibility to its citizens? What is the relationship between government and governed?
3. Fukuyama gives three examples of institutions: property rights, stability, and the rule of law. Why do you think each of these institutions is important for good governance? For economic growth?
4. How are these institutions (i.e., property rights, stability, the rule of law) achieved? Why aren't they in every country? What forces work against these institutions? Who benefits when these institutions are weakened?
5. In the video, Fukuyama says that "there are certain trade-offs that you have to make between, for example, good governance on the one hand, and democracy and popular participation on the other. Because good governance requires merit, expertise, technical knowledge, authority, and the like, and... democracy demands popular participation." What do you take this to mean? Do you agree or disagree, and why?

**VIDEO TRANSCRIPT**

On-screen text: A Discussion of Governance and Corruption with Francis Fukuyama

On-screen text: With an Introduction by Mariano-Florentino Cuéllar, Director of the Freeman Spogli Institute for International Studies at Stanford University

On-screen text: Mariano-Florentino Cuéllar, Director, Freeman Spogli Institute for International Studies

Cuellar: The core of Frank's ideas, I would argue, basically turn on this question of "How does human organization evolve over time?"

You see him thinking about the practicalities. That's at the core of some of his agenda now on institutions and governance and bureaucracy, and the balance between the autonomy that a bureaucracy might need to have to perform effectively, but the need for it to be accountable as well.

On-screen text: What is governance?

On-screen text: Francis Fukuyama, Olivier Nomellini Senior Fellow, Freeman Spogli Institute for International Studies

Fukuyama: To me, it means basically the ability of a government to deliver the basic services—security, education, health, infrastructure—that governments are supposed to be able to provide their citizens.

Some people think that governance is something that's done by organizations other than governments, like NGOs or transnational actors. But I think, appropriately, the focus ought to be on the public sector and the ability of the public sector to do things that help citizens.

I think there's been a critical recognition that institutions are really important. That is to say, political structures—like property rights, like stability, like the ability of commercial transactions to take place under a rule of law—that are actually the foundations of economic growth. What makes poor countries poor is not the lack of resources. Japan and Korea had no resources to speak of when they began their development paths. Rather, it's the lack of institutions that makes countries poor. Therefore, there's been an intense focus on helping poor countries to develop stronger institutions.

On-screen text: What is corruption?

Fukuyama: Corruption has a lot of different variations, and correspondingly many definitions. Most people would say that corruption is the private appropriation of public resources—if I steal from the public treasury as a policeman or a politician and put it in a bank account for my own family. There's other forms of behavior that are related to corruption, like patronage—a politician will put his own supporters or her own supporters in a public bureaucracy simply because they showed up for a rally to get that person elected.

I think that many people would say that corruption isn't that bad; you pay a little bribe and it greases the wheels of the machinery of government and it gets you the ticket fixed or it gets you a permit more quickly. I think, though, that that can only be said in a country where governance is really defective, because you really shouldn't be paying for those permits in the first place.



There are both economic and political consequences to corruption. Corruption is unfair. It means that money is going out of the pockets of citizens [and] into the pockets usually of elites of one sort or another. It distorts public priorities—you bribe a politician to spend money on a fighter aircraft rather than schools. And it has big political consequences. I would say that one of the biggest failings of many countries attempting to transition to democracy is the fact that they're corrupt. It delegitimizes otherwise democratic regimes. The failure, I think, to provide these basic government services is one of the things that disappoints people about the performance of democracy. So I think it's also important in that political sense, in preserving the legitimacy of the regime.

Many developing countries, for example, experience patronage and clientelism—beginning with the United States in the 19th century. But if you look at the politics of modern India or Brazil or Mexico, you see that a lot of the political parties and the politicians are in the habit of basically doling out public money in order to generate political support. You can take much more severe cases like Nigeria, where recently there was a case... This country is now being racked by Islamist terrorism—this group Boko Haram that captured several hundred schoolgirls and has been bombing and assassinating people. So the government provides more money for the army to beef up their security, and money just disappears before it gets to a single soldier.

What's the consequence of corruption? The consequence is living in a country with a lot of riches [and] you've got tremendous continuing poverty.

I think actually one of the most interesting cases is actually that of the United States. I think it's an inspiring story for contemporary developing countries. There's this tendency in the developed world to look down on corrupt developing countries and say "There's something wrong with them; they don't understand what good government is and [what] honest politicians [are]." But in fact I think this is a universal phenomenon, and in the United States, in the 19th century, the country had something called the patronage system in which virtually every public official at a federal, state, and local level was the result of a patronage appointment. It was a favor being paid by some politician in exchange for votes. It led to very poor quality government in the United States. One of the things that happened in the Progressive Era beginning in the 1880s was that Americans began to mobilize because they were sick of corruption. [There were] organizations like Tammany Hall in New York that were notorious dens of influence peddling and graft. And so there was a big mobilization that brought together people—there were middle class professionals, there were merchants that didn't want to have to pay the extra bribes, there were social reformers that thought that these corrupt politicians were really ripping off the poor. And as a result of their ability to come together and work through a democratic political system—they began first with the passage of something known as the Pendleton Act that created the first civil service commission, that said that from now on, federal employees had to take a civil service examination. They wouldn't just be given a job because of a politician, and that merit would be the basis for government service. It was a struggle that went on for almost two generations in order to spread the classified civil service to cover most of the bureaucracy, but it's something that was successful by the 1920s or 30s.

This also feeds into my most recent book, which is the second volume of a two-volume series, which is entitled *Political Order and Political Decay*. The central issue in this book really has to do with how did you get to a modern, relatively clean, uncorrupt, effective state. What was the magic sauce by which this happened in places like Denmark or Germany or Japan or Britain? And what lessons does that hold for contemporary developing countries?

In the book I've come to a number of conclusions, and some of them are a little bit pessimistic. The main inspiration for this book was Samuel Huntington's classic work, *Political Order in Changing Societies*. Samuel Huntington was a Harvard political scientist. He wrote this book back in 1968, and the basic message of that book was "all good things do not go together." Previously, the theory in development had been that all good things did go together—if you had economic growth, the growth of individual freedom, social mobilization, economic change—that all of this would be mutually self-supportive, and it would support modern democracy. And Huntington looked around the world at the time in the 1960s and said, "Well, that doesn't seem to be happening. In fact, economic growth spurs social mobilization [and] demands for participation; countries don't meet it; and then you get coups, civil wars, and a lot of political instability." In many respects, I think that I agree with him. I think that fundamental insight is correct. And so there are certain trade-offs that you have to make between, for example, good governance on the one hand, and democracy and popular participation on the other. Because good governance requires merit, expertise, technical knowledge, authority, and the like, and I think that democracy demands popular participation.

On-screen text: What is political decay?

Fukuyama: Political decay, in my definition of it, stems from one of two sources. First, it's institutional and cognitive rigidity. We create institutions. We human beings love to create rules that govern our lives. But we're also an extremely conservative species. Once we create those rules that are based on a certain mental model of how the world works, and if it turns out that—based on empirical experience—the world isn't working that way, we're oftentimes very hesitant to change the model. Religion is the best case of this. Religious doctrines are rules; they're institutions. But people don't abandon a religious doctrine simply because somehow it doesn't seem to be working out in real life. But [there are] other mental models [too]—Marxism, for example, or even modern neoclassical economics. Sometimes these mental models don't actually correspond to empirical reality, and yet people are very reluctant to abandon them. That's one source of decay—when you simply don't evolve.

The other one that I think is particularly relevant in contemporary America has to do with what political scientists call the elite capture of institutions. Modern institutions are supposed to be impersonal. They're supposed to treat people, as citizens, not differently from one another based on whether you're a pal of the President or a member of Congress or something of that sort. And I think one phenomenon that occurs in virtually all political regimes is that the rich and the powerful, particularly—and sometimes it's not only the rich and the powerful, but primarily those—use their access to the political system to politically protect their interests by reducing competition, by creating barriers to entry for other political players, by voting themselves subsidies or protecting their jobs, or things of this sort. And that's another factor in political decay—this capture of state institutions by elites over time.

Like many Americans, I'm worried that we're seeing some version of this. We certainly see a number of rigidities in the way we think that institutions need to work, but more worrisome, I think, is just the influence of lobbyists, interest groups, very powerful organized interests that of course are legitimate in a democracy, but in—I think—the contemporary United States, exert influence way beyond what they actually represent in the population. For that reason, I would say that the United States has been experiencing political decay, and its political institutions are not functioning as well as they could. This doesn't mean that American civilization is in decline because America has never primarily been about its government; it's been more about the private sector and business and entrepreneurship, and that's booming. It's been sickly, but it's recovering nicely. But I think American government is in a fair amount of trouble. We can't pass budgets, we can't agree on fairly simple commonsensical kinds of policies. That's not a good sign.

For many countries, the appeal of democracy is very much rooted in just their vision of America, and the fact that America's rich and powerful and prosperous and seems to be doing well. And quite frankly, I think with the amount of political polarization and dysfunction in Washington, that's just not true any longer. Partly it also has to do with foreign policy—the various wars we've engaged in over the past decade—but it also has to do with our own political process. I think that it's hard to say that anyone would turn to Washington and say “Yes, you as a young democracy ought to shut down the government because you can't agree on paying your past debts.” That's not a model of good behavior for anybody. And therefore I think American influence in international affairs has diminished as a result of this. I think until we get our house in order, that projection of our values and institutions is going to be very much more difficult.