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CNN

[Is Iran set to lash out at Saudi Arabia?](#)

David Schenker

December 10th, 2013 -- The November 19 [double-suicide bombings](#) of the Iranian embassy in Beirut may have looked shocking in the headlines – they killed 23 people. But they also should not have come as a surprise. Since 2011, Tehran has earned its karma in Lebanon. The attack, whose victims included an Iranian diplomat, was likely payback for the Shiite theocracy's unwavering support for the Bashar al-Assad regime's brutal repression of the largely Sunni uprising in Syria. Aided by Iranian troops,

weapons and its Lebanese Shiite proxy militia Hezbollah, over the past three years, al-Assad's government has [killed nearly 130,000](#) mostly Sunni Syrians.

The real question is what comes now – and I expect a surge in regional violence. Paradoxically, the international “first step” nuclear agreement with Iran increases rather than diminishes the chances that the Shiite theocracy in Tehran will take steps that exacerbate the regional sectarian conflict. Notwithstanding the optimism surrounding the “moderate” presidency of Hassan Rouhani, Iran has a long history of pursuing provocative – and oftentimes deadly – policies during ostensible periods of conciliation with the West. Consider that during presidency of the “moderate” Hashemi Rafsanjani, an administration in which Rouhani served on the National Security Council, Iranian proxies were widely viewed as responsible for attacks on both the Jewish Community Center in Buenos Aires in 1994, and U.S. Air Force barracks in Saudi Arabia in 1996. The term of “reformist” President Mohammad Khatami was equally distinguished. Under Khatami, Iran continued its longstanding policy of [targeting dissidents abroad](#) and [increased its support for Palestinian terrorist organizations](#), according to the State Department. In 2000, after then Secretary of State Madeline Albright ended restrictions on the sale of Iranian carpets, pistachio nuts, caviar, and spare airplane parts, [and apologized for U.S. misdeeds toward Tehran](#), Khatami responded by continuing to [surreptitiously build its uranium enrichment facility in Natanz](#). Three years later, Khatami’s Iran – along with Syria – stood accused of flooding Iraq with al Qaeda insurgents and roadside bombs in an effort to derail the U.S. invasion and occupation. Like Secretary Albright’s initiative, it seems that Tehran views the “first step” nuclear agreement as carte blanche, insulation against any U.S. sanction for problematic behavior on other fronts. For good reason. The Obama administration has invested so much political and diplomatic capital on the nuclear negotiations, it’s difficult to imagine Washington risking the agreement on lower priority issues.

This dynamic likely means that America’s uneasy ally, the kingdom of Saudi Arabia, will soon become a target for Iran, because while the al Qaeda-affiliated Abdullah Azzam Brigades claimed responsibility for the Iranian embassy blast in Beirut, it is difficult to believe that Iran and

Hezbollah will not retaliate against Saudi Arabia, as the chief backer of Sunni Muslims in Lebanon and the Sunni revolt in Syria. Indeed, Hezbollah officials including Secretary General Hassan Nasrallah, as well as the pro-Hezbollah Lebanese daily Al Akhbar – whose articles frequently reflect the Shiite militia’s views – have [attributed the bombing](#) to a group tied to Saudi Arabia, suggesting that the Kingdom’s embassy, diplomatic personnel, or nationals in Lebanon or abroad could be the next targets. Should Tehran hit Riyadh, it could transform and broaden the ongoing Saudi-Iranian proxy war in Syria, Iraq, and Yemen into a more overt, deadly, and destabilizing conflict. This isn’t the first time that Riyadh has found itself in Tehran’s crosshairs. In 2011, Iran was [accused by the United States](#) of plotting to assassinate the Saudi Ambassador to Washington. Anticipating retaliation for the Beirut attack, shortly after the bombing the Saudi Ambassador in Beirut advised the Kingdom's citizens to leave Lebanon.

Notwithstanding a marked increase in deadly Sunni-Shiite sectarian violence, to date Lebanon has avoided the worst case scenario – a resumption of civil war. In the aftermath of a car bombing earlier this year in Hezbollah’s Beirut stronghold of Dahiya, for example, in a calculated effort to avoid escalation, both [Sunnis](#) and [Shiites](#) blamed Israel for the explosion. Likewise, Lebanese Armed Forces units are currently deployed along the sectarian fault line between Sunnis and Lebanese Alawites – nominally Shiite supporters of the Assad regime – in the northern Lebanon city of Tripoli, trying to calm tensions.

But the embassy bombing and Iran’s anticipated retaliation against Saudi Arabia could threaten Lebanon’s already tenuous stability. Indeed, just two days after the attack, an Iranian-backed Iraqi Shiite militia shelled a Saudi border post as “a warning message” to Riyadh to stop “interfering” in Iraq. Meanwhile, on the day of the Beirut blast, Hezbollah MP Ali Mikdad issued his own warning. “We got the message and we know who sent it and we know how to retaliate,” he [reportedly said](#).

If the past is any precedent, another “message” from Tehran to Riyadh regarding Syria and Lebanon is just around the corner. Regrettably, it will likely be accompanied by a spike in sectarian violence.

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[Article 2](#)

The Daily Star

The walls are closing in on Hamas

Victor Kotsev

December 10, 2013 -- Within one year, the fortunes of the two main Palestinian movements, Fatah and Hamas, have seemingly reversed. Undercut by the ouster of its Muslim Brotherhood ally in Egypt and cut off from much of the world, Hamas is facing a number of threats, both external and internal. As economic conditions worsen in Gaza and discontent rises on the streets, the militant movement is growing paranoid and finding Gaza increasingly difficult to govern.

A year ago, the Fatah-dominated Palestinian Authority in the West Bank was in the same situation as Hamas is now. Israel was withholding tax money and Arab and Western donors were scaling back their support – distracted by the world financial crisis and the Arab Spring and unhappy about PA Chairman Mahmoud Abbas’ refusal to restart peace talks with Israel. The backlog of unpaid salaries of civil employees increased, and discontent on the streets skyrocketed. Analysts warned of “a total breakdown in law and order in the West Bank.”

Hamas’ popularity, by contrast, was on the rise, propelled by events in Egypt and Syria – though the movement no longer had close ties with the Syrian regime, as the Muslim Brotherhood, closely linked to Hamas, was gaining ground in the civil war and was courted by much of the international community. Hamas was also basking in the attention of Arab rulers such as the emir of Qatar, who visited Gaza and pledged hundreds of millions of dollars in financial support.

But with the restart of the Israeli-Palestinian negotiations and the ouster of Mohammad Morsi in Egypt, all that changed. Though many Palestinians still distrust Abbas, he is once again regarded as the legitimate face of Palestinian leadership. He is receiving important foreign delegations, while economic tensions in the West Bank have decreased. In the meantime,

Hamas' coffers are empty, most of the tunnels under the Egyptian border it had used as a lifeline have been destroyed, and its few remaining international friends (such as Turkey) are on the defensive. Furthermore, a homegrown popular movement is organizing to challenge Gaza's rulers while Fatah is also reportedly waiting for an opportunity to pounce on Hamas.

The movement in question, Tamarod (named after Egypt's own successful Tamarod), blames Hamas, even more than Israel, for the plight of Gaza's population. However, the group has little experience organizing, and there is no force in Gaza that could take on a role similar to that played by the Egyptian army. The movement has been organizing primarily online and has a decentralized leadership structure. A rally planned for Nov. 11 was canceled under pressure from Hamas, whose police arrested opposition activists and journalists. But a military parade by Hamas commemorating last year's brief war with Israel also failed to mobilize popular support. Hamas is clearly nervous, as attested by a massive recent campaign to identify and intimidate members of Tamarod, to interrogate a wide range of dissidents and to tap social networking sites. Although the Palestinian Tamarod is not likely to bring down Hamas, it has been able to draw strength from popular discontent. There are rumors that other movements could follow in Tamarod's footsteps, putting additional pressure on Hamas, while providing an outlet through which Gazans can voice their discontent and counter their government's repressive techniques.

Moreover, with many in Fatah reportedly hoping to use Hamas' current weakness to regain control over Gaza, there is no shortage of more traditional forces seeking to challenge Hamas. Some critics charge that Tamarod itself is a product of a Fatah conspiracy. Some Fatah leaders even reportedly dream of restoring their rule in Gaza, with Egyptian support – ironically over Israel's objections. Analysts suggest that the former PA strongman in Gaza, Mohammad Dahlan, who has been trying to patch up a past quarrel with Abbas, could spearhead a Fatah return to the strip – perhaps first from Egypt, where he could be invited to help “seal” Gaza's border.

Among other signs that Hamas is worried about its grip on Gaza, the movement seems desperate to forge as many new relationships as quickly as possible in order to compensate for the loss of domestic and

international support. That it has recently been trying to reconcile simultaneously with its former patron Iran as well as with rival Salafist factions in the strip is a sign of its desperation. It has also made attempts “to be more open to the West,” recently appointing a first ever English-language spokeswoman.

The success of these measures, however, is far from guaranteed given the isolation the movement faces and the threat the new Egyptian regime represents for it. What could complicate Hamas’ situation even further is a potential positive development in the peace negotiations Abbas’ government is conducting with the Israelis, a process Hamas has condemned. Although Palestinian reconciliation remains elusive at best (despite periodic proclamations by both Fatah and Hamas), if a peace agreement were reached between Israel and Fatah, Hamas would face further pressure to either leave power or transform radically – which would necessitate recognition of Israel and entail a contentious and divisive internal debate.

However, remaining defiant in the face of a negotiated agreement endorsed by both the PA and Israel would cement international consensus against Hamas and would make its predicament worse – possibly triggering a coordinated economic or even military campaign from Israel, Egypt, and the PA to topple Hamas.

In any case, while it is too early to predict the outcome of the U.S.-led Israeli-Palestinian talks, many analysts believe the secrecy surrounding them is a positive sign, as was the recent release of 26 long-serving prisoners.

The recent deal between Iran and the West also threatens Hamas, since many analysts believe that an eventual comprehensive deal would cover not only the Iranian nuclear program, but also the entire Iranian system of alliances in the region, including in Syria, Lebanon and Gaza. Worse, Hamas leaders are reportedly struggling to reach a consensus on how to respond to the many threats and to the rising tensions in Gaza. According to a media account of a recent interview with a senior Hamas member, “Hamas ... has no direction. The leaders of Hamas do not know what to do. There are struggles within the movement between those who think that they should realign with Iran and Hezbollah.”

As the region changes dramatically around it, Hamas is struggling to adapt. This inability to redefine itself amid major regional shifts – increasing popular discontent and the loss of key regional supporters – could force unfavorable changes and jeopardize its grip on Gaza.

Victor Kotsev is an independent journalist and political analyst focusing on the Middle East. This commentary first appeared at Sada, an online journal published by the Carnegie Endowment for International Peace (www.carnegieendowment.org/sada).

[Article 3.](#)

NYT

Putin's Imperial One-Man Show

Maxim Trudolyubov

December 10, 2013 -- Vladimir Putin kept Pope Francis waiting nearly 50 minutes when the Russian president came to the Vatican last month to discuss world peace, family values and other issues. The pope did not seem to mind. Mr. Putin's tardiness — attributed in this case to traffic problems — is not news. Besides, he has proved dependable in more important ways. In September, the pope wrote to the Kremlin asking Mr. Putin to help find a peaceful solution to the crisis over the Syrian regime's use of chemical weapons. The Russian leader complied.

A threatened American military strike was averted. The United Nations official in charge of coordinating the destruction of Syria's chemical weapons stockpile says that the country has lost the ability to make more, and the Assad regime's entire stockpile is sealed and set to be destroyed by mid-2014.

In the aftermath of Mr. Putin's triumph, the American blogger Matt Drudge called him "the leader of the free world." A commentator on the Business Insider website described him as "the Chuck Norris of international politics." And Forbes magazine ranked him No. 1 in its 2013 list of "the world's most powerful people," with President Obama dropping to second place.

Since September, the Russian leader has claimed one coup after another. He played a key role in paving the way for negotiations with Tehran over curbing Iran's nuclear program and bullied his Ukrainian counterpart, Viktor Yanukovich, into suspending talks on an association agreement and trade pact with the European Union.

Mr. Putin apparently thought that by striking a deal with Mr. Yanukovich he was also striking a deal with the entire nation of Ukraine. Thousands of protesters have been filling the streets of Kiev for nearly three weeks now, but Mr. Putin's only reaction has been to suggest that these protests are being staged by insurgents trying to tip the balance ahead of the 2015 presidential election.

It is still unclear whether Mr. Yanukovich has signed any binding agreements with Russia, including a possible accord on Ukraine's accession to the Russian-led Customs Union. But now that the European deal has been undermined, he can only turn to Russia for help, and Mr. Putin won't permit any loans or gas subsidies unless he signs a binding document.

For the Russian leader, there is no such thing as independence: If a country is not a Moscow vassal, then it's a vassal of Washington or Brussels. "The folk wisdom is that 'he who pays the piper calls the tune,'" Mr. Putin says. "That's a fact."

He scoffs at idealized visions of globalization and "value-based" international politics. Indeed, the idealism that characterized the turn of the century now seems naive. Who can imagine another George W. Bush trying to ignite an audience with the rhetoric of spreading democracy and freedom? Politicians in the United States now offer pragmatic talk mostly about concentrating on America's domestic problems.

Developments in Germany, where a new coalition government is forming, may be another case in point. German attitudes toward Russia are torn between those who see it as a land of enormous opportunity and those who are appalled by its corruption and repression. If Frank-Walter Steinmeier, an ally of former Chancellor Gerhard Schröder, returns as foreign minister, the more pragmatic stance is likely to prevail. Mr. Schröder, who was instrumental in getting Germany to sign on to a pipeline joint venture with Russia and joined the board of directors of that company immediately after leaving office in 2005, is the embodiment of business-driven politics.

Do these examples show that the world is caving in to the Russian leader's brand of hard-core realism? Yes, to a certain extent. Mr. Putin is succeeding on the world stage as a kind of media anti-hero. This shows that there is at least some appeal for the kind of ruthless leader who brings stability to an unruly land and acts as a counterweight to the West. But though it may appear that the Putin principles are helping him abroad, they are certainly failing him at home.

President Putin has been dominating Russian news for the past 14 years. He is like a media star at the very top of the ratings, while the country he represents is slipping toward the very bottom. He has all Russia's great resources at his disposal, yet Russia remains in the lower half of most international indices, including quality of government and control of corruption.

To be fair, the World Bank has elevated Russia's international "Doing Business" ranking. This year the nation jumped 19 places to 92 among 189 countries. It's important to understand, though, that this index does not consider the rule of law, only things like the speed it takes to complete paperwork, obtain regulatory permission and access to infrastructure. Mr. Putin's distrust of autonomous institutions, especially independent courts and political parties, is preventing Russia from developing a truly law-based state. The Russian state is in fact a maze of patron-client relationships in constant flux. The man in the Kremlin may be a business-oriented and pragmatic leader, a media celebrity who struts upon the world stage, but the fact that Russian domestic politics is a one-man show makes his country inherently unstable and dangerous — especially as a place to do business.

So does the conviction that anything foreign-funded is a threat to the Russian national interest. It has led to such absurdities as condemning many NGOs as "foreign agents," effectively preventing foreign technical assistance and undermining research institutions that badly need international expertise.

Mr. Putin's unconditional support of his domestic political vassals has caused a lack of accountability, fostered corruption and undermined faith in the future. Discussion of any eventual transfer of power is taboo. The country's elites — including Mr. Putin's cronies — consider Russia such

an unpredictable place that they send their children abroad to study and to live.

President Putin has never fully focused on national issues. Leaving everyday problems like bad housing and failing infrastructure to his subordinates, he prefers the big issues — the war on terror, church politics, glamorous sporting events, and the geopolitical limelight in the Middle East and Europe. The real question for Russians is whether they will continue to accept an imperial president's victories abroad as symbolic compensation for his mismanagement at home. How long will Mr. Putin keep us waiting?

Maxim Trudolyubov is the opinion page editor of the business newspaper Vedomosti.

[Article 4.](#)

NYT

Why Mandela Was Unique

[Thomas L. Friedman](#)

December 10, 2013 -- The global outpouring of respect for Nelson Mandela suggests that we're not just saying goodbye to the man at his death but that we're losing a certain kind of leader, unique on the world stage today, and we are mourning that just as much. Mandela had an extraordinary amount of "moral authority." Why? And how did he get it? Much of the answer can be deduced from one scene in one movie about Mandela that [I've written about before](#): "Invictus." Just to remind, it tells the story of Mandela's one and only term as president of South Africa, when he enlists the country's famed rugby team, the Springboks, on a mission to win the 1995 Rugby World Cup and, through that, to start the healing of that apartheid-torn land. Before the games, though, the sports committee in the post-apartheid, newly black-led South Africa tells Mandela that it wants to change the name and colors of the almost all-white Springboks to something more reflective of black African identity. But Mandela refuses. He tells his black sports officials that an essential part of making whites feel at home in a black-led South Africa was not

uprooting all their cherished symbols. “That is selfish thinking,” Mandela, played by Morgan Freeman, says in the movie. “It does not serve the nation.” Then speaking of South Africa’s whites, Mandela adds, “We have to surprise them with restraint and generosity.”

There are so many big leadership lessons in this short scene. The first is that one way leaders generate moral authority is by being willing to challenge their own base at times — and not just the other side. It is easy to lead by telling your own base what it wants to hear. It is easy to lead when you’re giving things away. It is easy to lead when things are going well. But what’s really difficult is getting your society to do something big and hard and together. And the only way to do that is by not only asking the other side’s base to do something hard — in South Africa’s case, asking whites to cede power to black majority rule — but to challenge your own base to do hard things, too: in South Africa’s case, asking blacks to avoid revenge after so many years of brutal, entrenched, white rule.

Dov Seidman, whose company, LRN, advises C.E.O.’s on governance and who is the author of the book “How,” argues that another source of Mandela’s moral authority derived from the fact that “he trusted his people with the truth” rather than just telling them what they wanted to hear.

“Leaders who trust people with the truth, hard truths, are trusted back,” said Seidman. Leaders who don’t generate anxiety and uncertainty in their followers, who usually deep down know the truth and are not really relieved, at least for long, by having it ignored or disguised.

Finally, said Seidman, “Mandela did big things by making himself small.” “Through his uncommon humility and his willingness to trust his people with the truth,” explained Seidman, “Mandela created a hopeful space where enough South Africans trusted each other enough so they could unite and do the hard work of transition together.”

What is so inspiring about Mandela, explained Seidman, “is that he did not make the moment of South Africa’s transition about himself. It was not about his being in jail for 27 years. It was not about his need for retribution.” It was about seizing a really big moment to go from racism to pluralism without stopping for revenge. “Mandela did not make himself the hope,” added Seidman. “He saw his leadership challenge as inspiring hope in others, so they would do the hard work of reconciliation. It was in that

sense that he accomplished big things by making himself smaller than the moment.”

To put it another way, Mandela, and his partner, South African President F.W. de Klerk, got enough of their people to transcend their past rather than to wallow in it. So much of American politics today, noted Seidman, is about “shifting, not elevating, people.” So much of American politics today is about how I narrowcast to this poll-tested demographic in this ZIP code to get just enough voters to shift to my side to give me 50.1 percent — just enough to win office, but not to govern or do anything big and hard.

Mandela’s leadership genius was his ability to enlist a critical mass of South Africans to elevate, to go to a new place, not just shift a few votes at the margin.

It is precisely the absence of such leadership in so many countries today that has motivated millions of superempowered individuals in different countries in the last four years — from Iran to Egypt to Tunisia to Turkey to Ukraine — to flock to public squares. What is striking, though, is the fact that none of these “Tahrir Square movements” have built sustainable democratic alternatives yet. That is a big, hard project, and it can only be done together. And it turns out that generating that unity of purpose and focus still requires a leader, but the right kind of leader.

“People are rejecting leaders who rule by the formal authority of their position and command by hierarchical power,” said Seidman, but “they are craving genuine leadership — leaders who lead by their moral authority to inspire, to elevate others and to enlist us in a shared journey.”

[Article 5.](#)

[American Interest](#)

The Decay of American Political Institutions

[Francis Fukuyama](#)

December 8, 2013 -- Many political institutions in the United States are decaying. This is not the same thing as the broader phenomenon of societal or civilization decline, which has become a highly politicized topic in the discourse about America. Political decay in this instance simply means that a specific political process—sometimes an individual government agency—has become dysfunctional. This is the result of intellectual rigidity and

the growing power of entrenched political actors that prevent reform and rebalancing. This doesn't mean that America is set on a permanent course of decline, or that its power relative to other countries will necessarily diminish. Institutional reform is, however, an extremely difficult thing to bring about, and there is no guarantee that it can be accomplished without a major disruption of the political order. So while decay is not the same as decline, neither are the two discussions unrelated.

There are many diagnoses of America's current woes. In my view, there is no single "silver bullet" cause of institutional decay, or of the more expansive notion of decline. In general, however, the historical context of American political development is all too often given short shrift in much analysis. If we look more closely at American history as compared to that of other liberal democracies, we notice three key structural characteristics of American political culture that, however they developed and however effective they have been in the past, have become problematic in the present.

The first is that, relative to other liberal democracies, the judiciary and the legislature (including the roles played by the two major political parties) continue to play outsized roles in American government at the expense of Executive Branch bureaucracies. Americans' traditional distrust of government thus leads to judicial solutions for administrative problems. Over time this has become a very expensive and inefficient way to manage administrative requirements.

The second is that the accretion of interest group and lobbying influences has distorted democratic processes and eroded the ability of the government to operate effectively. What biologists label kin selection and reciprocal altruism (the favoring of family and friends with whom one has exchanged favors) are the two natural modes of human sociability. It is to these types of relationships that people revert when modern, impersonal government breaks down.

The third is that under conditions of ideological polarization in a federal governance structure, the American system of checks and balances, originally designed to prevent the emergence of too strong an executive authority, has become a vetocracy. The decision system has become too porous—too democratic—for its own good, giving too many actors the means to stifle adjustments in public policy. We need stronger mechanisms

to force collective decisions but, because of the judicialization of government and the outsized role of interest groups, we are unlikely to acquire such mechanisms short of a systemic crisis. In that sense these three structural characteristics have become intertwined.

The three core categories of political institutions—state, rule of law and accountability—are embodied in the three branches of government of a modern liberal democracy: the executive, the judiciary and the legislature. The United States, with its longstanding tradition of distrust of government power, has always emphasized the means of constraint—the judiciary and legislature—over the state in its institutional priorities. It has done so to the point that American politics during the 19th century has been characterized as a “state of courts and parties” where government functions that in Europe would be performed by an executive branch bureaucracy were performed in the United States by judges and elected representatives instead.¹

The creation of a modern, centralized, merit-based bureaucracy capable of exercising jurisdiction over the whole territory of the country only began after the 1883 passage of the Pendleton Act. The United States began to look more like a modern European state by the end of World War II, but in terms of both the size and scope of government the United States remained, and still remains, an outlier. Both government expenditures as a percentage of GDP and total tax revenues as a percentage of GDP are smaller in the United States than in most other OECD countries.

While the American state is smaller than the state in most European countries, the absolute growth of the scope of the American state over the past half-century has nevertheless been rapid. But the apparently irreversible increase in the scope of American government in the 20th century has masked the decay in its quality. The deterioration in the quality of government has in turn made it much more difficult, for example, to get large fiscal deficits under control. The quantity, or scope, problem will not be addressable unless the quality, or strength, problem is addressed at the same time.

The decay in the quality of American government has to do directly with the American penchant for a state of “courts and parties”, which has returned to center stage in the past fifty years. The courts and legislature have increasingly usurped many of the proper functions of the executive,

making the operation of the government as a whole both incoherent and inefficient. The steadily increasing judicialization of functions that in other developed democracies are handled by administrative bureaucracies has led to an explosion of costly litigation, slow decision-making and highly inconsistent enforcement of laws. The courts, instead of being constraints on government, have become alternative instruments for the expansion of government. Ironically, out of a fear of empowering “big government”, the United States has ended up with a government that is very large, but that is actually less accountable because it is largely in the hands of unelected courts.

Meanwhile, interest groups, having lost their pre-Pendleton Act ability to directly corrupt legislatures through bribery and the feeding of clientelistic machines, have found new, perfectly legal means of capturing and controlling legislators. These interest groups distort both taxes and spending, and raise overall deficit levels through their ability to manipulate the budget in their favor. They use the courts sometimes to achieve this and other rentier advantages, but they also undermine the quality of public administration through the multiple and often contradictory mandates they induce Congress to support—and a relatively weak Executive Branch is usually in a poor position to stop them.

All of this has led to a crisis of representation. Ordinary people feel that their supposedly democratic government no longer reflects their interests but instead caters to those of a variety of shadowy elites. Ordinary people feel that their supposedly democratic government no longer reflects their interests but instead caters to those of a variety of shadowy elites. What is peculiar about this phenomenon is that this crisis in representativeness has occurred in large part because of reforms designed to make the system more democratic. Indeed, both phenomena—the judicialization of administration and the spread of interest-group influence—tend to undermine trust in government, which tends to perpetuate and feed on itself. Distrust of executive agencies leads demands for more legal checks on administration, which further reduces the quality and effectiveness of government by reducing bureaucratic autonomy. It may seem paradoxical, but reduced bureaucratic autonomy is what in turn leads to rigid, rule-bound, un-innovative and incoherent government. Ordinary people may blame bureaucrats for these problems (as if bureaucrats enjoy working

under a host of detailed rules, court orders, earmarks and complex, underfunded mandates coming from courts and legislators over which they have no control). But they are mistaken to do so; the problem with American government is less an unaccountable bureaucracy than an overall system that allocates what should properly be administrative powers to courts and political parties.

In short, the problems of American government flow from a structural imbalance between the strength and competence of the state, on the one hand, and the institutions that were originally designed to constrain the state, on the other. There is too much law and too much “democracy”, in the form of legislative intervention, relative to American state capacity. Some history can make this assertion clearer.

One of the great turning points in 20th-century American history was the Supreme Court’s 1954 *Brown v. Board of Education* decision, which overturned on constitutional grounds the 19th-century *Plessy v. Ferguson* case that had upheld legal segregation. This decision was the starting point for the civil rights movement, which, over the following decade, succeeded in dismantling the formal barriers to racial equality and guaranteed the rights of African Americans and other minorities. The courts had cut their teeth earlier over union organizing rights; new social rules based on those rights provided a model for subsequent social movements in the late 20th century, from environmental protection to women’s rights to consumer safety to gay marriage.

So familiar is this heroic narrative to Americans that they seldom realize how peculiar it is. The primary mover in the *Brown* case was the National Association for the Advancement of Colored People (NAACP), a private voluntary association. The initiative had to come from private groups, of course, because state governments in the South were controlled by pro-segregation forces. The NAACP pressed the case on appeal all the way to the Supreme Court. What was arguably one of the most important changes in American public policy thus came about not because Congress, as the representative of the American people, voted for it but because private individuals litigated through the court system to change the rules. Later developments, like the Civil Rights and Voting Rights Acts, were the result

of congressional action, but even in these cases enforcement was carried out by courts at the behest of private parties.

No other liberal democracy proceeds in this fashion. All European countries have gone through similar changes to the legal status of racial and ethnic minorities, and women and gays in the second half of the 20th century. But in Britain, France or Germany, the same results have been achieved through a national justice ministry acting on behalf of a parliamentary majority. The legislative rule changes might well have been driven by public pressure, but they would have been carried out by the government itself, not by private parties acting in conjunction with the judiciary.

The origins of the American approach lie in the historical sequence by which its three sets of institutions evolved. In France, Denmark and Germany, law came first, followed by a modern state, and only later by democracy. The pattern of development in the United States, by contrast, was one in which the tradition of English Common Law was embedded early on in the Thirteen Colonies, followed by democracy after independence, and only later by development of a modern state. Indeed, some have argued that the American state is Tudor in its basic structure, that arrangement having been frozen into its institutions at the time of the original American settlement.² Whatever the reasons, the American state has always been weaker and less capable than its European or Asian counterparts. And note that distrust of government is not a conservative monopoly; many on the Left worry about the capture of national institutions by powerful corporate interests and prefer to achieve their desired policy outcomes by means of grassroots activism via the courts. The result in post-civil rights movement America is what the legal scholar Robert A. Kagan labels a system of “adversarial legalism.” While lawyers have always played an outsized role in American public life, their role expanded dramatically during the turbulent years of social change in the 1960s and 1970s. Congress passed more than two dozen major pieces of civil rights and environmental legislation in this period, covering issues from product safety to toxic waste cleanup to private pension funds to occupational safety and health. This constituted a huge expansion of the regulatory state founded in the Progressive Era and New Deal, which American businesses and conservatives love to complain about today.

What makes this system so unwieldy is not the level of regulation as such, but the highly legalistic way in which it is pursued. Congress mandated the creation of an alphabet soup of new Federal agencies—the EEOC, EPA, OSHA and so forth—but it was not willing to cleanly delegate to these bodies the kind of rule-making authority and enforcement power that European or Japanese state institutions enjoy. What it did instead was to turn over to the courts responsibility for monitoring and enforcing the law. Congress deliberately encouraged litigation by expanding standing (that is, who has a right to sue) to ever wider circles of parties, many of whom were only distantly affected by a particular rule.

For example, Federal courts rewrote Title VII of the 1964 Civil Rights Act, “turning a weak law focusing primarily on intentional discrimination into a bold mandate to compensate for past discrimination.” Instead of providing a Federal bureaucracy with adequate enforcement power, “the key move of Republicans in the Senate . . . was to substantially privatize the prosecutorial function. They made private lawsuits the dominant mode of Title VII enforcement, creating an engine that would, in the years to come, produce levels of private enforcement litigation beyond their imagining.”³ Across the board, private enforcement cases grew from fewer than a hundred per year in the late 1960s to more than 22,000 by the late 1990s. Expenditures on lawyers increased six-fold during the same period. Not only did the direct costs of litigation soar; other, more indirect costs mounted due to the increasing slowness of the process and uncertainties as to outcomes.

Thus, conflicts that in Sweden or Japan would be solved through quiet consultations between interested parties through the bureaucracy are fought out through formal litigation in the American court system. This has several unfortunate consequences for public administration, among them “uncertainty, procedural complexity, redundancy, lack of finality, [and] high transaction costs.” By estranging enforcement from the bureaucracy, the system also becomes far less accountable. In a European parliamentary system, a new rule or regulation promulgated by a bureaucracy is subject to scrutiny and debate, and can be changed through political action at the next election. In the United States, by contrast, policy is made piecemeal in a highly specialized and therefore non-transparent process by judges who are unelected and usually serve with lifetime tenure. In addition, if one party

loses a legislative battle, it can continue the fight into the implementation stage through the courts. This is what happened in the case of the Affordable Care Act, or “Obamacare.”

The explosion of opportunities for litigation gave access and therefore power to many formerly excluded groups, beginning with African Americans. It is for this reason that litigation and the right to sue have been jealously guarded on the progressive Left. (It is also part of the reason why trial lawyers form an interest group closely wedded to the Democratic Party.) But these entail huge costs in terms of the quality of public policy. Kagan illustrates this with the case of the dredging of Oakland Harbor. During the 1970s the Port of Oakland initiated plans to dredge the harbor in anticipation of the new, larger classes of container ships then coming into service. The plan, however, had to be approved by a host of governmental agencies, including the Army Corps of Engineers, the Fish and Wildlife Service, the National Marine Fisheries Service, the EPA, and their counterparts in the State of California. A succession of alternative plans for disposing of toxic materials dredged from the harbor was challenged in the courts, and each successive plan entailed prolonged delays and higher costs. The reaction of the EPA to these lawsuits was to retreat into a defensive crouch and go passive. The final plan to proceed with the dredging was not forthcoming until 1994, at an ultimate cost many times the original estimates.

Other examples can be found across the entire range of activities undertaken by the U.S. government. The result is that the courts have interacted with Congress to bring about huge expansions in the scope of government, but without an increase in the effectiveness of government. For one example among many hundred, special education programs for handicapped and disabled children have mushroomed in size and cost since the mid-1970s as a result of an expansive mandate legislated by Congress in 1974. This mandate was in turn built on earlier findings by Federal district courts that special needs children had “rights”, which are much harder than mere interests to trade off against other goods, or to subject to cost-benefit criteria. Congress, moreover, threw the interpretation of the mandate and its enforcement back to the courts, which are singularly poor institutions for operating within budget constraints or making complex political tradeoffs.

The solution to this problem is not necessarily the one advocated by many conservatives and libertarians, which is to simply eliminate regulation and close down bureaucracies. The ends government is serving, such as ensuring civil rights and environmental protection, are often important ones that private markets will not satisfy if left to their own devices. Conservatives often fail to see that it is the very distrust of government that leads the American system into a courts-based approach to regulation that is far less efficient than that found in democracies with stronger executive branches. But American progressives and liberals have been complicit in creating this system as well. They distrusted the bureaucracies that had produced segregated school systems in the South, or had been captured by big business interests, so they were happy to inject unelected judges into social policymaking when legislators proved insufficiently supportive. Everyone had his reasons, and those reasons have added up to massive dysfunction.

This decentralized, legalistic approach to administration dovetails with the other notable feature of the American political system: its openness to the influence of interest groups. Interest groups can get their way by suing the government directly, as with the recent suit retailers brought against the Federal Reserve over debit card transaction fees. But they have another, even more powerful channel that controls significantly more power and resources: the U.S. Congress.

American politics throughout most of the 19th century was thoroughly clientelistic. Politicians mobilized voters by promising individual benefits, sometimes in the form of small favors or outright cash payments but most often through offers of jobs in government bureaucracies like the Post Office or Customs House. This easy ability to distribute patronage had big spillover effects in terms of official corruption, in which political bosses and members of Congress would skim off benefits for themselves out of the resources they controlled.

These historical forms of clientelism and corruption were largely ended as a result of the civil service reform movement beginning in the 1880s. Today, old-fashioned “walking around money”-type corruption is rare at the Federal level. Though high-profile ambassadorships are still distributed to large campaign donors, American political parties no longer give out government offices en masse to loyal political supporters and campaign

fundraisers. But the trading of political influence for money has returned in a big way in American politics, this time in a form that is legal and much harder to eradicate.

Criminalized bribery is narrowly defined in American law as a transaction in which a politician and a private party explicitly agree upon a specific quid pro quo exchange. But gift exchanges, as an anthropologist might call them, are something else again. Unlike an impersonal market transaction, if one gives someone a gift and immediately demands a gift in return, the recipient likely feels offended and refuses what is offered. But the recipient incurs a moral obligation to the other party and is then inclined to return the favor at another time or place. The law bans only the market transaction, not the exchange of favors. The latter is what the American lobbying industry is built around.

I have noted that kin selection and reciprocal altruism are the two natural modes of human sociability. They are not learned behaviors, but are genetically encoded into our mental and emotional makeup. A human being in any culture who receives a gift from another member of the community will feel a moral obligation to reciprocate. Early states were what Max Weber labeled “patrimonial” because they were regarded as the personal property of the ruler, who used his family and friends to staff his administration. Such states were built around these natural modes of sociability.

Modern states create strict rules and incentives to overcome the tendency to favor family and friends. These include practices like civil service examinations, merit qualifications, conflict-of-interest rules, and anti-bribery and corruption laws. But the force of natural sociability is so strong that it keeps coming back; guarding against it requires perpetual vigilance. We have dropped our guard. The American state has been thoroughly re-patrimonialized. In this respect, the United States is no different from the Chinese state in the later Han Dynasty, or the Mamluk regime in the century prior to its defeat by the Ottomans, or the French state under the *ancien régime*. The rules blocking overt nepotism are still strong enough to prevent patrimonial behavior from becoming ubiquitous, but reciprocal altruism runs rampant in Washington. It is the primary channel through which interest groups have succeeded in corrupting government. Interest groups can influence members of Congress in perfectly legal ways simply

by making donations and waiting for unspecified return favors. In other cases, the member of Congress initiates the gift exchange, favoring an interest group in the expectation of a reward down the line, whether campaign contributions or other chips to be cashed in at a later date. In many cases the exchange does not involve money. A Congressman attending a conference on derivatives regulation at a fancy resort will hear presentations on how the banking industry does or does not need to be regulated, without hearing credible alternative arguments from outside the industry. The politician is captured in this case not by money (though there is plenty of that to go around), but intellectually, since he or she will have only positive associations with the interest group's point of view.

The explosion of interest groups and lobbying in Washington has been astonishing, with 175 registered lobbying firms in 1971 rising to 2,500 ten years later. By 2009, there were 13,700 registered lobbyists spending more than \$3.5 billion annually. The distortive effects of this activity on American public policy can be seen in a host of areas, beginning with the tax code. While all taxes potentially reduce the ability of markets to allocate resources efficiently, the least inefficient types of taxation are those that are simple, uniform and predictable, so that businesses can plan and invest around them. The U.S. tax code is exactly the opposite. While nominal corporate tax rates in the United States are higher than in most other developed countries, few American corporations actually pay taxes at that rate because they have negotiated special exemptions and benefits for themselves. Often these benefits take the form of loopholes permitting the off-shoring of profits or other forms of tax arbitrage.

Some political scientists have argued that all of this money and lobbying activity have not resulted in measurable changes in policy along the lines desired by the lobbyists, just as many contend that huge amounts of money spent on campaign ads make no discernable difference in electoral outcomes. Not only are such arguments implausible on their face given the sums supposedly being "wasted" in the process; they ignore the fact that interest groups and lobbyists often seek not to stimulate new policies and rules but to contort existing legislation through regulatory capture at the bureaucratic/administrative level, well out of the political line of sight. The legislative process in the United States has always been much more fragmented than that of countries with parliamentary systems and

disciplined parties. The welter of congressional committees with overlapping jurisdictions often produces multiple and conflicting mandates. There are, for example, three separate proposals in the 1990 National Affordable Housing Act that embody distinctly different theories about the underlying problem the law is supposed to solve. There is a multiplicity of mandated ways of enforcing the Clean Air Act. Congress wants the Federal government to procure goods and services cheaply and efficiently, and yet mandates a cumbersome set of rules known as the Federal Acquisition Regulations (FAR) on all government procurement agencies. In contrast to private-sector procurement, government purchasing is minutely procedural and subject to a nearly endless right of appeal. In many cases, individual Congressmen intervene directly to make sure procurement is done in ways that benefit their own constituents. This is particularly true for the big-ticket items procured by the Pentagon, which become virtual jobs programs to be distributed by lucky members of Congress.

When Congress issues complex and often self-contradictory mandates, agencies are highly constrained in their ability to exercise independent judgment or make common-sense decisions. This undermining of bureaucratic autonomy starts a downward spiral. In the face of bureaucratic ineffectiveness, Congress and the public decry “waste, fraud, and abuse” in government and try to fix the problem by mandating even more detailed and constraining rules, whose final effect is to further drive up costs and reduce quality.

Examples of such spiraling, self-defeating congressional interventions could be presented almost without end. Some are particularly salient, however. Thus the Affordable Care Act, pushed through Congress by the Obama Administration in 2010, turned into a monstrosity during the legislative process as a result of all of the concessions and side payments that were made to interest groups, from doctors to insurance companies to the pharmaceutical industry. In other cases, the impact of interest groups has been to block legislation harmful to their interests. The simplest and most effective response to the financial crisis of 2008–09 and the unpopular taxpayer bailouts of large banks would have been a law that put a hard cap on the size of financial institutions or else dramatically raised reserve requirements, which would have had much the same effect. If a cap

on size existed, banks taking foolish risks could go bankrupt without triggering a systemic crisis and government bailout. Like the Depression-era Glass-Steagall Act, such a law could have been written on a few of sheets of paper.

But this possibility was never considered during the congressional deliberations on financial regulation. What emerged instead was the Wall Street Reform and Consumer Protection Act, or Dodd-Frank, which, while better than no regulation at all, extended to hundreds of pages of legislation and mandated reams of further detailed rules (many still unwritten years after the fact) that will impose huge costs on banks and consumers down the road. Rather than simply capping bank size, it has created a Federal Stability Oversight Council tasked with the enormous (and probably impossible) job of assessing and managing institutions that pose systemic risks, which in the end will still not solve the problem of banks being too big to fail. Though a smoking gun linking bank campaign contributions to the votes of specific Congressmen may elude us, it defies belief that the banking industry's legions of lobbyists did not have a major impact on how Dodd-Frank turned out, and on how its terms are still being translated into regulations.

Ordinary Americans express widespread disdain for the impact of interest groups and money on Congress. The perception that the democratic process has been corrupted or hijacked is not an exclusive concern of either end of the political spectrum. Both Tea Party Republicans on the Right and liberal Democrats on the Left believe that interest groups whose views they happen not to like exercise undue political influence and feather their own nests. As it turns out, both are correct. As a result, trust in Congress has fallen to historically low levels, now barely above single digits.

There is plenty of good historical and social science analysis to sustain such beliefs. The late Mancur Olson emphasized the malign effects of interest group politics on economic growth and, ultimately, democracy in his 1982 book *The Rise and Decline of Nations*. Looking particularly at the long-term economic decline of Britain throughout the 20th century, he argued that democracies in times of peace and stability tend to accumulate ever-increasing numbers of interest groups that, instead of pursuing wealth-creating economic activities, make use of the political system to extract benefits, or rents, for themselves. These rents are collectively unproductive

and costly to the public as a whole, but a collective action problem prevents those adversely affected from organizing themselves to offset groups like, say, the banking industry or corn producers, who can more readily organize to advance their interests. The result is the steady diversion of energy into rent-seeking activities over time, a process that can only be halted by a large shock like war or revolution.

On the other hand, such analysis, plausible as it seems, runs smack into a far more positive understanding of the benefits of civil society, or voluntary associations, to the health of democracy. Tocqueville famously noted that Americans had a strong propensity to organize private associations, which he argued were “schools for democracy” because they taught private individuals the skills involved in coming together for public purposes. Individuals by themselves were weak; only by coming together for common purposes could they, among other things, resist tyrannical government. This tradition has been carried forward in the late 20th century by scholars like Robert Putnam, who has argued that this very propensity to organize (“social capital”) was good for democracy—and was endangered in the second half of the 20th century.

James Madison, too, had a relatively benign view of interest groups. He was certainly mindful of the deleterious potential of what he called “factions”, but he was not overly worried about them because their diversity across a large country would be sufficient to prevent domination by any one group. As Theodore Lowi noted, “pluralist” political theorists in the mid-20th century concurred with Madison in opposition to critics like C. Wright Mills: The cacophony of interest groups would collectively interact to produce a public interest, just as competition in a free market would provide public benefit through individuals following their narrow self-interest. Further, there was no justification for government to regulate this process, since there was no higher ground that could define a “public interest” standing above the narrow concerns of interest groups. The Supreme Court, in its *Buckley v. Valeo* and *Citizens United* decisions, was in effect affirming the benign interpretation of what Lowi labeled “interest group liberalism.”

Alas, “interest groups” and “private associations” are two ways of describing the same basic phenomenon. So how do we reconcile these diametrically opposed narratives, the first claiming that interest groups

corrupt democracy and harm economic growth, and the second asserting that they are necessary for healthy democracy?

The most obvious way is to try to distinguish a “good” civil society organization from a “bad” interest group. The former, to use the late Albert Hirschman’s terminology, is driven by the passions, the latter by the interests. The former might be a non-profit organization seeking to build houses for the poor, or a lobbying organization promoting the public interest by protecting coastal habitats. An interest group might be a lobbyist for sugar producers or large banks, whose only objective is to maximize the profits of the companies supporting them. Additionally, Putnam tried to make a distinction between small associations that invited active participation by their members, and “membership organizations” that simply involved paying a membership fee.

Unfortunately, neither distinction stands up to scrutiny. Just because a group proclaims that it is acting in the public interest doesn’t mean that it is. For example, a medical advocacy group that wants more dollars allocated to combat a particular disease—AIDS, say—might actually distort public priorities by diverting funds from equally lethal but more widespread diseases, simply because it is better at public relations. On the other hand, just because an interest group is self-interested doesn’t mean that its claims are illegitimate, that by definition it cannot promote the public welfare, or that it does not have a right to be represented within the political system. If a poorly thought-out regulation will seriously damage the interests of an industry and its workers, that industry has a right to petition Congress. Like it or not, lobbyists are often important sources of information about the consequences of government action. In the long-running battles between environmental groups and corporations, environmentalists purporting to represent the public interest are not always right with respect to the trade-offs between sustainability, profits and jobs, as the Oakland harbor dredging case illustrates.

The primary argument against interest-group pluralism has to do with distorted representation. E.E. Schattschneider, in his seminal 1960 book *The Semisovereign People*, argued that the actual practice of democracy in America has nothing to do with its popular image as government “of the people, by the people, for the people.” Political outcomes seldom correspond with popular preferences given the very low level of

participation and political awareness; real decisions are made by much smaller groups of organized interests. A similar argument is buried in Olson's framework, since he notes that not all groups are equally capable of organizing for collective action. The interest groups that contend for the attention of Congress are therefore not collectively representative of the whole American people. They are rather representative of the best organized and (what often amounts to the same thing) most richly endowed parts of American society. This bias is not random and almost invariably works against the interests of the unorganized or unorganizable, who are often poor, poorly educated or otherwise marginalized.

Relatedly, Morris Fiorina has shown that the American "political class" is far more polarized than the American people themselves. Morris Fiorina has shown that the American "political class" is far more polarized than the American people themselves. Most Americans support moderate or compromise positions on many contentious issues, from abortion to deficits to school prayer to gay marriage, while party activists are invariably more ideological and take more extreme positions, whether on the Left or Right. But the majorities supporting middle-of-the-road positions do not feel very passionate about them; they have what amounts to a collective action problem, and so remain largely unorganized.

Now, it's true that unrepresentative interest groups are not simply creatures of corporate America and the Right. Some of the most powerful organizations in democratic countries have been trade unions, environmental groups, women's organizations, advocates of gay rights, the aged, the disabled, indigenous peoples, and virtually every other sector of society. One of the reasons that the American public sector has been so hard to reform is the resistance of public sector unions. Pluralist theory holds that the aggregation of all these groups contending with one another constitutes a democratic public interest. But due to the intrinsic over-representation of narrow interests, they are instead more likely to undermine the possibility that representative democracy will express a true public interest.

There is a further problem with interest groups and the pluralist view that sees public interest as nothing more than the aggregation of individual private interests: It undermines the possibility of deliberation and ignores the ways in which individual preferences are shaped by dialogue and

communication. In both classical Athenian democracy and the New England town hall meetings celebrated by Tocqueville, citizens spoke directly to one another. It is easy to idealize small-scale democracy or minimize the real differences that exist in large societies. But as any organizer of focus groups can tell you, people's views on highly emotional subjects will change just thirty minutes into a face-to-face discussion with people of differing views, provided that they are given common information and ground rules to enforce civility. Few single-issue advocates will maintain that his or her cause will trump all other good things if forced to directly confront those alternative needs. One of the problems of pluralist theory, then, is the assumption that interests are fixed, and that the goal of legislators is simply to act as a transmission belt for them, rather than having their own views that can be shaped by deliberation with other politicians and with the public.

This isn't just a rhetorical point. It is commonly and accurately observed that no one in the U.S. Congress really deliberates anymore. Congressional "debate" amounts to a series of talking points aimed not at colleagues but at activist audiences, who are perfectly happy to punish a legislator who deviates from their agenda as a result of deliberation or the acquisition of greater knowledge. This leads then to bureaucratic mandates written by interest groups that restrict bureaucratic autonomy.

In well-functioning governance systems, moreover, a great deal of deliberation occurs not just in legislatures but within bureaucracies. This is not a matter of bureaucrats simply talking to one another, but rather a complex series of consultations between government officials and businesses, outside implementers and service providers, civil society groups, the media and other sources of information about societal interests and opinions. The Congress wisely mandated consultation in the landmark 1946 Administrative Procedures Act, which requires regulatory agencies to publicly post proposed rule changes and to solicit comment about them. But these consultative procedures have become highly routinized and pro forma, with actual decisions being the outcome not of genuine deliberation, but of political confrontations between well organized interest groups. Both the judicialization of administration and the influence of interest groups over Congress represent instances of political decay in American politics. They have both deep roots in American political culture as well as

more recent, contingent causes like the extreme polarization of the two parties. One source of decay has to do with intellectual rigidity. The idea that lawyers and litigation should be such an integral part of public administration is not a view widely shared in other democracies, and yet it has become such an entrenched way of doing business in the United States that no one sees any alternative. This is not strictly speaking an ideological matter but a political tradition shared by both Left and Right. Similarly, despite a widespread outcry against the disproportionate influence of interest groups in Congress, many elites (beginning with the Supreme Court) fail to see that a problem even exists.

The underlying sources of political decay—intellectual rigidity and the influence of elite groups—are generic to democracies as a whole. Indeed, they are problems faced by all governments, whether democratic or not. Problems of excessive judicialization and interest groups also exist in other developed democracies. But the impact of interest groups depends heavily on the specific nature of the institutions. There is wide variation in the way that democracies structure the incentives facing political actors that makes them more or less susceptible to these forces. The United States, as the world's first and most advanced liberal democracy, suffers today from the problem of political decay in a more acute form than other democratic political systems. The longstanding distrust of the state that has always characterized American politics had led to an unbalanced form of government that undermines the prospects of necessary collective action. It has led to vetocracy.

I mean by vetocracy the process whereby the American system of checks and balances makes collective decision-making based on electoral majorities extremely difficult. To some extent, any system that duplicates authority at multiple levels, giving Federal, state and local authorities jurisdiction over whole domains of public policy, risks creating a situation in which different parts of the government are easily able to block one another. But under conditions of ideological polarization, with the major parties about evenly popular (or unpopular) with voters, the constraints become acute. That is where we now are. The government shutdown and crisis over the debt ceiling that emerged in October 2013 is an example of how a minority position (that of the Tea Party wing of the Republican Party) could threaten the ability of the government as a whole to operate.

This is why the American political system early in the 21st century has failed to deal with its yawning budgetary problems, among many others. Polarization happens. It has happened in American politics before. Once it caused a civil war. A good political system mitigates underlying polarizations and encourages the emergence of outcomes that represent the interests of as large a part of the population as possible. But when polarization confronts America's Madisonian checks-and-balances political system, the result is particularly devastating. The reason is that too many actors can veto a decision to do something to solve a problem.

America's large number of veto players becomes evident when one considers another longstanding democracy, Great Britain. The so-called Westminster system, which evolved in the years following the Glorious Revolution, is one of the most decisive in the democratic world because, in its pure form, it creates a much smaller number of veto players. Britain is a democracy because citizens have one large, formal check on government: their ability to periodically elect Parliament. (There is another important check, the tradition of free media in Britain, which is not part of the formal political system.) In all other respects, however, the system concentrates rather than diffuses power. This system produces governments with much greater formal powers than in the United States.

This greater degree of decisiveness can be seen clearly with respect to the budget process. In Britain, national budgets are not drawn up in Parliament but in Whitehall, the seat of the bureaucracy, where professional civil servants in the Treasury Department act under instructions from the Cabinet and Prime Minister. The budget is then presented by the Chancellor of the Exchequer (equivalent of the U.S. Treasury Secretary) to the House of Commons, which decides whether to approve it in a single up-or-down vote. This usually takes place within a week or two of its promulgation by the government.

The process in the United States is totally different. The Constitution grants Congress primary authority over the budget. While Presidents propose budgets, these are largely aspirational documents that have little relation to what eventually emerges. The Office of Management and Budget has no formal power over the budget but becomes in effect another lobbying organization supporting the President's preferences. The budget works its way through a complex set of committees over a period of months, and

what finally emerges for ratification by the two houses (complicated further by the distinction between appropriations and authorizations) is the product of innumerable deals struck with individual members to secure their support. Since there is little party discipline in the United States, there is no way for the congressional leadership to compel individual members to support its preferences, even when they are members of the same party. Clearly, the making of an American budget is a highly decentralized and non-strategic process in comparison to what happens in Britain.

The openness and open-ended character of the American budget process in turn gives lobbyists and interest groups multiple points at which to exercise influence. In most European parliamentary systems, it makes no sense for an interest group to lobby an individual MP since the rules of party discipline allow little or no influence over the party leadership's position. In the U.S. system, by contrast, an influential committee chairmanship confers enormous powers to modify legislation, and therefore becomes the target of enormous lobbying activity.

Budgeting is not the only aspect of American government that differs systematically from its democratic counterparts in terms of proliferating veto players. In parliamentary systems, a great deal of legislation is formulated by the executive with heavy technocratic input from the permanent civil service. Ministries are accountable to Parliament and hence ultimately to voters through the minister who heads them, but this type of hierarchical system can take a longer-term strategic view and produce much more coherent legislation.

Such a system is utterly foreign to American political culture, where Congress jealously guards its right to legislate and special interest groups assiduously cultivate their skill at suborning it. The lack of legislative coherence is what in turn produces a large, sprawling and often unaccountable government. Financial sector regulation, for example, is split among the Federal Reserve Board, the Treasury Department, the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Commodity Futures Trading Commission, the Office of Thrift Supervision, the Federal Housing Finance Agency, the New York Federal Reserve Bank, as well as a host of state Attorneys General who have broadened their mandates to take on the banking sector. The Federal agencies are overseen by different

congressional committees whose members are loath to give up their turf to a more coherent and unified regulator. It was easy to game this system to bring about deregulation of the financial sector in the late 1990s; re-regulating it after the crisis has proved much more difficult.

The American political system has decayed over time because its traditional system of checks and balances has deepened and become increasingly rigid. At a time of sharp political polarization, this decentralized system is less and less able to represent majority interests, but gives excessive representation to the views of interest groups and activist organizations that collectively do not add up to a sovereign American people.

The United States is trapped in a bad equilibrium. Because Americans historically distrust the government, they aren't typically willing to delegate authority to it. Instead, as we have seen, Congress mandates complex rules that reduce government autonomy and render decisions slow and expensive. The government then performs poorly, which perversely confirms the original distrust of government. Under these circumstances, most Americans are reluctant to pay higher taxes, which they fear the government will simply waste. But while resources are not the only, or even the main, source of government inefficiency, without them the government cannot hope to function properly. Hence distrust of government becomes a self-fulfilling prophecy. Can we reverse these tendencies toward decay? Perhaps, but two separate obstacles stand in the way, both related to the phenomenon of decay itself.

The first is a simple matter of politics. Many American political actors recognize that the political system isn't working well, but nonetheless have very deep interests in keeping things as they are. Neither major party has an incentive to cut itself off from access to interest group money, and the interest groups fear a system where money can't buy influence. As in the 1880s, a reform coalition has to emerge that unites groups without a stake in the current system. But achieving collective action among these out-groups is difficult; it requires skillful and patient leadership with a clear agenda, neither of which is automatically forthcoming. It may also require a major shock, or shocks, to the system. Such shocks were critical, after all, in crystallizing the Progressive movement—events like the Garfield

assassination, the requirements of America's rise as a global power, entry into the World War, and the crisis of the Great Depression.

The second problem is a cognitive one, having to do with ideas. A system of checks and balances that gives undue weight to interest groups and fails to aggregate majority interests cannot be fixed with a few simple reforms. For example, the temptation in presidential systems to fix problems of legislative gridlock by piling on new executive powers is one that often creates as many problems as it solves. Getting rid of earmarks and increasing party discipline may actually make it harder under conditions of ideological polarization to achieve broad legislative compromises. Using the courts to implement administrative decisions may be highly inefficient, but in the absence of a stronger and more unified bureaucracy, there may be no alternative. Many of these problems could be solved if the United States moved to a more unified parliamentary system of government, but so radical a change in the country's institutional structure is barely conceivable. Americans regard their Constitution as a quasi-religious document. Persuading them to rethink its most basic tenets short of an outright system collapse is highly unlikely. So we have a problem.

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1. See Stephen Skowronek, *Building a New American State: The Expansion of National Administrative Capacities, 1877–1920* (Cambridge University Press, 1982), p. 24.

2. See Samuel Huntington, "Political Modernization: America vs. Europe", *World Politics* (April 1966).

3. Sean Farhang, *The Litigation State: Public Regulation and Private Lawsuits in the United States* (Princeton University Press, 2010).