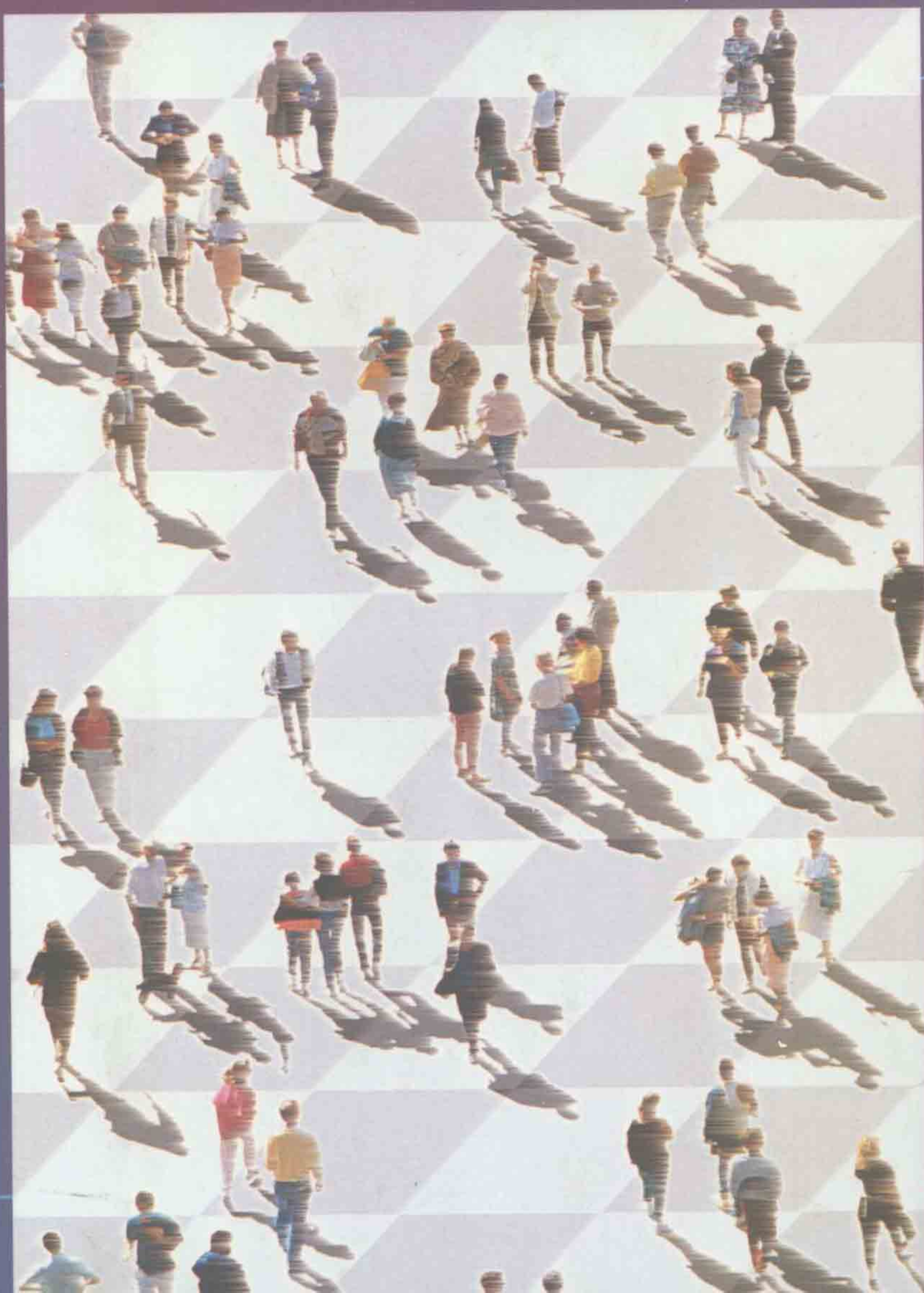


DEREK BOK

THE STATE OF THE NATION



The State OF THE Nation

*Government
and the
Quest for a
Better Society*

DEREK BOK

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Preface

This book began with a wholly unexpected visit from emissaries of three foundations during the last week of my twenty-year effort to preside over the unruly affairs of Harvard University. When I first learned of their coming, I assumed that my visitors wanted to discuss the possibility of a new grant to Harvard. To my surprise, they asked instead whether I would consider spending whatever time I needed to write about why the government of the United States seemed to be encountering so much difficulty and provoking so much dissatisfaction.

The offer could not have come at a better time. After wandering for a quarter of a century in the trackless desert of academic administration, I had resolved to spend my remaining active years doing what I first came to Harvard to do—reading, thinking, and writing about problems of abiding interest. Suddenly, here were three foundations offering me a chance to do exactly that.

From the beginning, however, I felt that I could not simply assume that government in the United States was performing badly. Despite the loud complaints directed at politicians and bureaucrats, the claim that they were failing the country was an assertion that deserved careful scrutiny, like any other important proposition.

After months of reading on the subject, I found that discussions of this issue were not as common as one might think, notwithstanding the flood of articles and books about our government and its problems. Some of these works—mostly those of a scholarly variety—did not purport to judge the effectiveness of the government as a whole but simply explored a puzzling question or tried to explain an interesting

new development. Other books—more often written by journalists—described some important failing of government or some crisis allegedly brewing and tried to explain why the problem had arisen and how it might be overcome. But rarely did an author begin by making a careful, dispassionate effort to assess how well or badly our government was performing overall.

In these troubled times, many readers may assume that the failings of our political leaders are so obvious that they do not require demonstration. Yet the United States is still the most prosperous nation in the world, with a remarkable degree of personal freedom and an enviably stable, democratic government. Our public officials must have been doing *something* right. For this reason, it would surely be unwise to jump to conclusions by offering a diagnosis before giving the patient a thorough examination. Accordingly, I have decided to write an initial volume comparing the progress of our country with that of other leading democratic nations to determine whether Americans have reason to feel pessimistic about their society and, if so, whether the government has helped bring us to our present state. In the course of this inquiry, I will try to arrive at a fair and balanced account of the strengths and weaknesses of our government, before moving on in a second book to probe more deeply the question why our policies and programs so often fail to meet our expectations.

In reviewing the progress of our society and the role of government in it, I have had to explore many different facets of American life. Not all of these subjects were familiar to me when I began. Fortunately, I have been blessed to have friends who are experts in these fields and who were willing to read and criticize chapters. In particular I wish to thank Graham Allison, Francis Bator, Douglas Besharov, William G. Bowen, Gerald Bracey, Lewis Branscomb, Harvey Brooks, Bob Brustein, Paul DiMaggio, John Dunlop, David Ellwood, Ben Friedman, Nathan Glazer, Mary Ann Glendon, Peter Hall, Mark Moore, Lawrence Mead, Joe Newhouse, Paul Osterman, Diane Ravitch, Marc Roberts, Henry Rosovsky, Theda Skocpol, Robert Stavins, Abigail Thernstrom, Sid Verba, Paul Weiler, and Lloyd Weinreb. Any errors that survived the scrutiny of these colleagues are all of my own making.

I would also like to thank my editor, Michael Aronson, for his patience and many helpful suggestions, and Laurel Imig of the Brookings Institution, who gave invaluable help in preparing various tables and ensuring the accuracy of much information used in the study.

Many added thanks go to my assistant, Connie Higgins, who has loyally typed more drafts and retrieved more books than I care to remember.

As always, I owe a special debt of gratitude to my wife, Sissela, and my daughter, Hilary; they read the entire manuscript and gave me much good advice and encouragement. My son, Tomas, was exceptionally helpful with the technical aspects of presenting relevant data.

Last but not least, I would like to thank the Robert Wood Johnson, Rockefeller, and MacArthur foundations for giving me the chance to tackle such a challenging subject. They have been extraordinarily patient in allowing me to go about the task at my own pace and in my own way. I could not be more grateful.

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Introduction

In the early 1990s, by all outward appearances, America's cup seemed to be running over with good fortune. The United States had finally won the Cold War after almost fifty years of unrelenting effort to halt the spread of Communism. For the first time in decades, people no longer lived in the shadow of an impending nuclear holocaust. Despite the burden of having long maintained the world's most expensive military force, the United States continued to enjoy the highest standard of living of any major country on earth. Unemployment levels were among the lowest in the West, while inflation was holding steady at a small fraction of what it had been only a dozen years before.

How did the public respond to these manifold blessings? In April 1995, 74 percent of Americans summed up their feelings by declaring themselves "dissatisfied with the way things are going in this country."¹ This verdict was hardly an isolated example. In 1994, more than 50 percent of the American people felt that their children would not have as good a life as they themselves had enjoyed.² A majority believed that the United States was no longer the leading economic power in the world.³ The Harris alienation index, which measures how far the public feels estranged from the powers that be, reached its all-time high.⁴ By every available measure, ordinary citizens had lost confidence in the major institutions of the country and in the leaders responsible for its welfare.

Such gloom is not characteristic of Americans. Throughout our history, we have always been noted for our optimism—our faith that every problem has a solution and that progress is the natural state of human affairs. Even in the Great Depression, most people saw the

nation's troubles as merely a temporary setback in a land exceptionally blessed by abundance and opportunity.

The pessimism of today stands in vivid contrast with the mood that prevailed in the United States beginning in 1953 when Dwight D. Eisenhower entered the White House. Eisenhower's election seemed to usher in the good times that most people had been waiting for since the end of World War II. Victory over Germany and Japan had not immediately produced the era of normalcy and domestic tranquillity that many had expected. Instead, the Communist takeover in eastern Europe, the fall of China, the news of a Soviet atomic bomb, and the invasion of South Korea made Americans realize that their triumph over fascism had not been the war to end all wars. Revelations that spies had given military secrets to the Russians and charges that Communists had infiltrated the higher reaches of government led to a campaign by Senator Joseph McCarthy of Wisconsin to expose individuals suspected of harboring Communist sympathies and connections. Eventually, however, McCarthy's influence waned and the Korean War came to an end. At last, the nation was ready to savor the fruits of peace and unprecedented prosperity.

To many eyes, the United States seemed remarkable indeed. As one ebullient British author wrote: "There never was a country more fabulous than America. She sits bestride the world like a Colossus; no other power at any time in the world's history has possessed so varied or so great an influence on other nations."⁵ Added Vice-President Richard Nixon, "The United States, the world's largest capitalist country, . . . comes closest to the ideal of prosperity for all in a classless society."⁶

With only 7 percent of the world's population, Americans accounted for more than half of all the goods and services produced on the entire planet. Defeated, disorganized, and ravaged by war, Germany and Japan gave little sign as yet of the economic miracles they would perform in coming decades. Our victorious European allies were too depleted by the recent conflict to pose an economic threat. The few advanced nations that had been spared destruction, notably Switzerland and Sweden, hardly seemed large enough to count as major economic powers.

Favored by a growing economy, enterprising Americans quickly produced a burst of innovations promising untold benefits for consum-

ers. William Levitt brought the methods of mass production to the housing industry, opening huge tracts of suburban homes at prices that ordinary Americans could afford (as low as \$7,990). Betty Furness explained to countless housewives the wonders of new kitchen appliances and frozen vegetables. Automobiles rolled off assembly lines by the millions as new federal highways began to spread in a huge network across the country. Fast-food chains such as McDonald's, discount stores such as Korvette's, franchised motels such as Howard Johnson's and Holiday Inn were sprouting everywhere.

Above all, television came into its own, bringing *Ozzie and Harriet*, *Leave It to Beaver*, and other visions of the model suburban family for all Americans to emulate and enjoy. To be sure, the ideal American family did not leave much room for women yearning for a career of their own. According to Mrs. Dale Carnegie, "The two big steps that women must take are to help their husbands decide where they are going and use their pretty heads to help them get there."⁷ In this atmosphere of cheerful domesticity, the proportion of women Ph.D.'s dropped below 10 percent, while women lawyers and doctors grew less common than they had been in the early years of the twentieth century.

As the 1950s wore on, stirrings of discontent could be detected here and there, harbingers of turbulence yet to come. The youthful rebelliousness of James Dean, Jack Kerouac, and Marlon Brando struck a responsive chord in many young people. Sloan Wilson's *Man in a Gray Flannel Suit* and David Riesman's *The Lonely Crowd* awakened fears of excessive conformity to the social norms of suburban neighborhoods and large corporations. At Smith College, Betty Friedan returned for her fifteenth reunion to find growing discontent among her housebound classmates. On a Birmingham bus, Rosa Parks refused to give up her seat, sparking a citywide bus boycott and a new career for a young minister named Martin Luther King, Jr. Almost unnoticed, an outspoken young Yale alumnus, William F. Buckley, Jr., launched a conservative magazine, *The National Review*. These early signs, however, were not fully understood at the time, nor could many people imagine just how far they would eventually lead. For the moment, in the words of Tennessee's governor, Frank Clement, Americans were content to relax and enjoy "looking down the long green fairways of indifference."⁸

The View from the Nineties

In retrospect, of course, we know that in the 1950s the country was hardly as robust as most Americans seemed to believe. Health care was primitive by current standards and certainly not available to all. Poverty was widespread, though much of it lay hidden on farms and in rural communities, out of the sight of most Americans. Much housing was still substandard, especially in rural areas. Black children in the South were relegated to segregated schools; their parents could not sleep in most hotels, eat in most restaurants, cast their ballots in elections, or enjoy the public parks and pools reserved for whites. Women had no rights in the workplace, let alone the right to equal treatment in applying to college. Factories polluted the air and water and buried their toxic wastes with little heed for the consequences.

Looking back, therefore, we are now better off in many ways than our forebears were four decades ago. Yet Americans today are far gloomier about their country than they were in the 1950s. No one would dream of describing voters in the 1990s as contentedly “looking down the long green fairways of indifference.” In 1960, the vast majority of Americans believed that the nation was progressing nicely and that it would be even more successful in the future than it had been in the past.⁹ By 1991, 64 percent of the public believed that the country was “headed in the wrong direction.”¹⁰

What accounts for all this anger and pessimism? Is the country really going downhill? Or are Americans simply suffering from one of those inexplicable crises of morale that sometimes come over us, singly or collectively, for reasons even psychologists cannot explain?

Although many people claim to know what ails the country, ascertaining the true state of affairs is actually more difficult than one might think from reading the current commentaries on America. There is sharp disagreement over the state of almost every institution and field of endeavor in the United States. To President Bill Clinton, Americans are “choking on a health care system that isn’t working.”¹¹ To Republican lawmakers (echoing President George Bush before them), Americans have the finest health care system in the world. According to Jacques Attali, “Industry is the only lasting foundation of a nation’s power, and it is in this sense that the signs of America’s lasting decline are everywhere.”¹² Yet the World Economic Forum, composed of leading business executives from many countries, recently pronounced

American business the most competitive in the world. To Richard Goodwin, "It is no secret to most parents and concerned citizens that our public school system is a disaster."¹³ According to a recent survey, however, 70 percent of American parents would give the school their children attend a grade of either A or B.¹⁴

The list goes on. According to Vice-President Gore, "Modern industrial civilization, as presently organized, is colliding violently with our planet's ecological system. The ferocity of its assault on the earth is breathtaking and the horrific consequences are occurring so quickly as to defy our capacity to recognize them, comprehend their global implications, and organize an appropriate and timely response."¹⁵ In striking contrast, Gregg Easterbrook, toward the end of his 700-page tome on the environment, concludes that "in the Western world the Age of Pollution is nearly over."¹⁶ One last example: In 1988, 87 percent of white Americans affirmed that "in the past 25 years, the country has moved closer to equal opportunity among the races."¹⁷ Yet at about the same time, only a minority of blacks agreed that racial equality was increasing.¹⁸

In addition to disagreements over the state of different facets of American life, there has also been much debate over whether the country as a whole is in decline. The controversy first sprang up in the late 1980s, in the wake of publicity over the sagging performance of American companies in world markets.¹⁹ Soon, a flurry of statistics and arguments appeared in print on both sides of the issue.

Taking the somber view, Paul Kennedy, Edward Luttwak, and a number of other writers pointed to the fact that several countries have been outdistancing the United States in productivity growth, their companies have successfully invaded our markets, their health care is cheaper and more accessible, and their children spell and compute more proficiently than ours. To these authors, our huge deficits and trade imbalances signal an erosion of our economic strength, while the widespread resort to drugs and violence in America points to a moral and spiritual malaise of even more troubling proportions. According to Paul Kennedy, the most likely prognosis for America is not collapse but a future in which the country continues to "muddle through." Yet he added, "The long-term implication of muddling through is slow, steady, relative *decline*—in comparative living standards, educational levels, technical skills, social provisions, industrial leadership, and, ultimately, *national power*, just as in Britain."²⁰

At Harvard University, an institution rarely noted for bullishness about America, scholars quickly took issue with the pessimists. According to Samuel Huntington and, in a separate book, Joseph Nye, America is much stronger than the prophets of gloom make out:²¹ our military forces have never enjoyed such superiority, our universities are the envy of nations everywhere, our scientists are still preeminent in the world. Far from declining, say the optimists, the U.S. economy remains more productive than those of its rivals, and its share of world production has not diminished for at least the past decade or two. Although other countries grew faster than America did for many years, it was only natural that they should do so at a time when they were rebuilding after the ravages of World War II. Now that the reconstruction is over and differences in productivity rates and standards of living have narrowed throughout the industrialized world, the critical point is that America has retained its position of economic leadership. As a result, according to Professor Nye, "The United States remains the largest and richest power with the greatest capacity to shape the future."²²

This debate has been muddled from the start by the fact that the participants are often talking about different things. For some, the issue is whether America's economic strength is eroding relative to that of other advanced, industrialized nations. Others are asking whether our influence and power in the world are on the wane. Still others inquire whether the United States is as well prepared as Europe and Japan to cope with the great challenges to come in the twenty-first century—population growth, technological change, and global environmental hazards. Since the authors are asking such different questions, it is not surprising that they arrive at different conclusions.

It is also clear that none of these writings speaks to all the issues that trouble the public today. Americans worry that our society may no longer be making progress toward a broad array of objectives that matter to many people. Responding to such wide-ranging concerns requires far more than simply asking whether the United States is preserving its power in the world or maintaining its capacity to meet specific global challenges, important though these questions may be. Even economic growth, with all the benefits it provides, is too narrow a focus. For growth has but a tenuous connection with other aspects of society that also matter to Americans—our personal freedoms, our

moral standards, the quality of our natural environment, and the justice of our laws and institutions, to name just a few.

There is a compelling reason for a careful, objective look at the full range of problems that are troubling Americans. Heated discussions are currently in progress all across the United States about the condition of our society. More than at any time in recent memory, familiar premises are being questioned, established ways of conducting the nation's affairs are under attack, policies that would have seemed unthinkable in earlier periods are being actively considered. At such a moment, it is especially important to agree, insofar as possible, on what the true condition of our society is and whether the nation is indeed "headed in the wrong direction." If it is, we need to know exactly where America is losing ground so that we can concentrate our efforts on the problems that need to be solved. If the country is not in a state of decline, we ought to know that, too—not merely to preserve our peace of mind but to keep from searching needlessly for scapegoats and conjuring up exaggerated and unnecessary remedies.

This study will reveal that although America has made progress in many important respects over the past forty years, the record of this country often compares quite poorly with that of most other leading industrial democracies. From a position of unequalled strength and prosperity, the United States has fallen behind other advanced nations in achieving many of the goals that large majorities of Americans care most about. The individualism, initiative, and independence which seemed to serve this country admirably during its first 150 years no longer appear to be working so well in the face of a new array of challenges. There are reasons, therefore, to justify the pessimism about America so starkly revealed by current opinion polls.

What accounts for this disappointing record? Government and the politicians who control it are the culprits most frequently singled out for blame. Over the past thirty years, confidence in public officials has eroded drastically.²³ A plurality of Americans now believe that Washington poses the greatest threat to the welfare of the nation. A majority has even concluded that the federal government generally makes matters worse when it decides to take hold of a problem.²⁴

These sentiments leave Americans in an awkward spot. By large majorities, we aspire to a kind of society that no country has yet approximated without the aid of a strong and active government. By

equally large margins, however, we harbor the gravest possible distrust of government and those charged with making it work. This is not a healthy state of affairs, nor does it seem viable in the long run. Something needs to be done to bring our views about ends and means into closer alignment.

At present, more and more people are concluding that the answer to this dilemma is to shrink the government drastically and rely much more on private initiative to build the kind of society most people want. This solution would at least reduce the role of the state to a level more in keeping with the public's low regard for its capacities. Yet comparing America's experience with that of several other leading industrial democracies yields a rather different conclusion. In many instances, it is true, poorly conceived and badly executed public policies have a lot to do with our disappointing record. But there are grave dangers in responding to our problems by constantly denigrating public officials and undermining their authority. Like it or not, a careful look at the record will reveal that the skill with which a government defines its role, constructs its policies, and carries out its programs has now become the chief factor that determines which modern democracies succeed best in building the kind of society their citizens desire. The challenge for America, then, is not to dismember the government but to learn how to help it function more effectively.

To meet this challenge successfully, it is best to begin by trying to grasp as clearly as possible just what part the government has played in this country and how it has both helped and hindered efforts to move society forward. Only then can Americans understand the record of their government sufficiently well that they will neither ask the State to assume responsibilities it is ill-equipped to perform nor insist on ill-considered remedies that weaken it in carrying out its essential tasks.

Toward this end, the following study—the first of two volumes—will describe the development of the United States since the 1950s and compare it with that of several other leading industrial democracies. By examining many different aspects of American life, I will try to ascertain where our society has progressed, where it has lost ground, and whether the nation is indeed in a state of decline. Throughout, I will pay particular attention to the ways in which government—federal, state, and local—has contributed to our setbacks and our successes and how it has come to play such a central role in the affairs of

this country and other advanced democratic nations. By the end of the inquiry, I hope to have laid the foundation for a second volume which will inquire more deeply into why our public officials and institutions often fail to achieve their goals and what, if anything, can be done to help them do better.

Assessing the Nation's Progress

How can one possibly hope to arrive at any firm conclusion about a question as amorphous as whether America is progressing or suffering a decline? With so much information to choose from, it is easy for advocates on either side to take almost any aspect of American life and argue that matters are either getting better or growing worse. Depending on one's conception of what an ideal society should be, different people can look at the same body of evidence and come away with radically different views of whether the nation has advanced or fallen back over the past thirty to forty years.

Fortunately, there is one firm rock on which to build. In order to evaluate the nation's progress, the surest way to proceed is not to argue endlessly over competing visions of the ideal society but to measure our record against the kind of society to which most Americans aspire. In a democracy, that is the most appropriate goal toward which a nation and its government should strive and the best yardstick for evaluating their performance.

Despite all the arguments that divide us, Americans remain surprisingly united on what the basic goals of the society ought to be. Five major aims enjoy especially broad support. They have consistently gained the approval of large majorities ever since polling organizations started to ask the public about its beliefs several decades ago. With these objectives as a guide, it is possible to determine how much progress the United States has made, not toward liberal goals or conservative goals but toward aims that Americans from every walk of life consider important.

The first of these objectives is a buoyant expanding economy. Economic growth, rising productivity, full employment, and stable prices are all vital to Americans because they make possible so much of what people want in order to live a satisfying life. When the economy ceases to expand, opportunities for advancement are fewer, and the struggle among interest groups for resources begins to intensify. Confidence