

# Reviews

***Political Order and Political Decay: From the Industrial Revolution to the Globalization of Democracy***, Francis Fukuyama (New York: Farrar, Straus and Giroux, 2014), 658 pp., \$35 cloth.

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During the globalization euphoria of the 1990s some pundits were writing that the individual state was too small to solve social and economic problems. Now the tone has changed. Even those who aspire to a transnational religious caliphate are branding their political objective as establishing an effective “Islamic State.” Francis Fukuyama, following in the footsteps of his renowned teacher Samuel Huntington, affirms that successful state-building remains the sine qua non of political order. He worries, though, that too many contemporary states are not living up to Huntington’s criteria for a strong state: “complex, adaptable, autonomous, coherent.”

Fukuyama notes the wide variation in the strength of contemporary states. African failed states host terrorists, corruption, and disease. Brittle Middle Eastern states are the object of movements to strengthen, reorganize, or sweep them away. States in East Asia are generally doing well, whether democratic or not. Among the older established states, some, including the United States, are at risk of institutional decay.

Extending to the present day his 2011 study *The Origins of Political Order*, which

ends at the French Revolution, *Political Order and Political Decay* asks why some polities have been able to create states based on consensual rules of behavior that bind even the most powerful elements of society, reconciling administrative and judicial autonomy with social accountability, whereas others have not. The earlier volume showed that historically, states developed out of patronage networks of descent lineages or clients, which evolved with varying thoroughness into an impersonal, rule-following administrative apparatus. This volume shows how the state’s clientelistic birth defects create an endemic risk of state capture by kin and cronies, descent into corrupt ineffectiveness, and outraged populist reaction.

In Fukuyama’s wide-ranging historical account, states encounter three pitfalls. First, many in the tropics never got off the ground, since geography and disease conspired against the transplanting of European settlers and their efficient institutions, while unhelpful economic endowments and imposed colonial structures often stymied indigenous institutional development. A second pitfall occurs when technical

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administrative rationalization proceeds without procedural accountability to the broad population, establishing inadequate checks on, for example, a growth-squelching bureaucracy or recklessly militaristic garrison states. Paradoxically, and this is the third pitfall, states can fall prey to weakness and corruption even if they *do* establish mass accountability: when popular democratization precedes the development of a strong, autonomous administrative state, the executive branch is captured as a prize of clientelism, as in the Jacksonian spoils system. Fukuyama is much occupied by the concern that the legacy of this nineteenth-century U.S. “state of courts and parties,” penetrated by parochial social interests, continues to hamstring the country’s ability to provide broad public goods.

Where then did strong, adaptable, accountable states come from, and why do some countries have them and others do not? Fukuyama discusses three main paths to statehood, of which only one is sustainable in the long run.

The first path is the creation of strong, rule-based, administrative institutions to fight and mobilize resources for war. This path to statehood started in ancient China and culminated in modern Europe with French absolutism, the Prussian garrison state, as well as a more liberal version of the war-fighting state in Britain (p. 199). Though the European version of this trajectory encouraged popular nationalism, as states bargained with their peoples over the terms of military service and taxation, it did not automatically lead to true procedural accountability to the people. That said, the liberal states that did develop government *by* (and not just *for*) the people wound up winning the decisive geopolitical struggles among competing social systems, as Fukuyama noted in his famous 1989 essay “The End of History?”

The second path to statehood is the inheritance of impersonal, rule-based state institutions as a legacy of colonialism, most notably in the case of India’s civil service, courts, and democracy (p. 209). But setting aside the temperate-zone European colonies, the legacies of colonialism were often more a hindrance than a help to efficient state-building, whether in the pattern of French direct rule by imposed rationalistic administration or in the pattern of British indirect rule through local authorities. The French system brought rules but not inclusive participation, and the typical British strategy of ruling through locals often depended on creating “big man” chieftainships and sharply defined ethnicities, which undermined rather than fostered later transitions to impersonal, accountable statehood.

Ultimately, Fukuyama shows that the only self-sustaining path to an effective, accountable state is through broad-based social modernization that produces economic development, a complex division of labor, and empowered popular classes, especially a strong middle class with a stake in creating a system of government based on impersonal rule of law. Only the emergence of a strong, popular, pro-reform coalition provides a reliable bulwark against corrupt, abusive, extractive interests that block progressive change or backslide into clientelism (pp. 201–203).

Economic modernization makes a strong, inclusive state possible, but it does not guarantee it, he says. Nowhere does the building of a modern state proceed smoothly, quickly, and automatically. Successful states need to be anchored in a nation made up of citizens who share a distinctive identity and common purpose. Forging such a nation, Fukuyama notes, entails one or more of four often violent

processes: rectifying borders, culturally homogenizing the population through expulsions and exterminations, assimilating minorities, and/or scaling back the nation's ideological identity project to accommodate the limitations of its political power (pp. 192–95).

The institutionalization of impersonal rule is always a painstaking political process, never a merely technical exercise, notwithstanding the “state-building-in-a-box” approach favored by contemporary international “peace-builders.” A developed material environment anchored in a complex division of labor is a necessary support for a strong, accountable state. Facilitating ideas are needed, too, Fukuyama adds, but cultural and intellectual supports of modern statehood are often absent. Early state-builders barely recognized the differentiation of the personal property of the monarch and the public property of the state. Even as late as the nineteenth century in the United States the economics profession had not developed modern concepts of public goods, externalities, oligopoly theory, and rent-seeking, which were needed to underpin concepts of the regulation of railroads, for example, or anti-trust policy (pp. 168–69). On the cultural plane, Fukuyama argues that the lack of a civilizational tradition of transcendental religion in East Asia was a conceptual barrier to the development of the rule of law in that region (p. 337).

Modernization rarely serves up the various facilitating capacities for state-building in a timely, comprehensive manner. States may develop what Michael Mann calls “despotic” (coercive or repressive) power, yet lack “infrastructural” power to coordinate society-wide cooperation to promote growth (pp. 300–302). Channeling Huntington's argument about the gap between rising demand for political participation and the weakness of state

institutions, Fukuyama notes that the Arab Spring's popular demands for effective, accountable states were spurred in part by dashed expectations of modernization (p. 50).

The institutional capacity to manage modernity is hard to inject from the outside. Foreign aid conditioned on progress in meeting external indicators of “stateness” tends to lead to empty mimicry, that is, to countries taking on the outward appearance of a rationalized, impersonal, rule-following state, but functioning like a patron-client network (p. 316). Rather than perpetuate this kind of charade, Fukuyama recommends encouraging “good enough” governance that places decision-making authority in the hands of local power brokers who best know their own political terrain and can judge how to sustain coalitions that take limited but sound steps toward reform (pp. 316, 320). Though Fukuyama notes that gradualism is unavoidable, he warns against the notion of trying to plan in advance a perfect sequence of staged reforms, such as institution-building before democratization (pp. 143, 210–11). Any sequence entails pitfalls, he says, and in any event the dynamic processes of social change confound attempts to control the sequence of political development.

Even strengthening the middle class turns out not to be a silver bullet, says Fukuyama. He quite rightly invokes the venerable lesson from Barrington Moore that the middle class often aligns with corrupt, oppressive elites when it is too weak to rule alone and needs the old authoritarian elite's protection from the rising working class (p. 433). Nor is faster democratization a guaranteed remedy since, as Huntington argued, mass participation in the absence of strong state institutions to underpin social trust leads not to coordinated accountability but to struggle among rival factions.

Fukuyama's cautionary analysis of the dilemmas of contemporary state-building verges on subverting the single-minded story line of state formation that dominated volume one of this magisterial study. In the first tome, Fukuyama's wide-ranging and compelling synthesis showed how the modern impartial, rule-based, accountable state superseded its personalistic, patronage-oriented precursors. There, as in his 1989 essay, history seemed to be converging on a single, liberal end point. The second book, no less meticulous and omnivorous in its synthesis, appears less confident in its predictions.

Consistent with the analysis in volume one, Fukuyama's main bet is still placed on the creation of a strong, autonomous, regulatory state backed by a broad-based popular coalition empowered by thriving processes of social modernization. But he sees many treacherous roadblocks in the path of this outcome. Even the United States, which had the advantage of being born modern and largely democratic, had to overcome the weakness of its state, the slaveholders' defiance of its fundamental liberal principles, and the corruption of its spoils system (through organizations such as Tammany Hall) until it finally reached the Progressive Era, when at long last it began to create the kind of state that Fukuyama sees as a worthy culmination of the history of state-building.

Fukuyama flirts intermittently throughout the book with the question of whether highly autonomous, technocratic East

Asian states, such as China and Singapore, could serve as a successful alternative illiberal model for the modern state. The overwhelming weight of over 1,200 pages of argument and evidence in the two volumes would seem to say no. Such technocratic-authoritarian states lack the true legality and accountability that Fukuyama portrays as indispensable elements for a state that meets Huntington's criteria of complex adaptability to modern conditions. As a result, they remain vulnerable to the fatal vices of corruption, rent-seeking, inefficiency, and self-serving or capricious leadership.

Having convinced himself of the risk of liberal states' relapse into corruption and decay, his halfhearted verdict on liberalism is that it is not "fatally flawed." His judgment on the authoritarians is that the Chinese-style technocracy has a chance to compete or converge with liberalism, but only if it succeeds in progressive reforms that are responsive to social needs. His greatest pessimism is reserved for those very weak states with underdeveloped economies whose people want accountable government but may have little prospect of getting it. At the end of 1,200-plus pages, we remain far from the end of history.

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