

# WHY THE STATE STILL MATTERS

IN DEFENCE OF THE STATE  
as the source of nearly  
all modern public goods,  
and why better leaders  
must be brave enough  
to use it again for this  
century's problems

BY JEREMI SURI

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**T**HE PARADOX of the American presidential campaign season is that candidates are competing for the most powerful office in the world, just as they assert the limits of state power. Republican presidential candidate Mitt Romney criticizes the harmful consequences of government efforts to regulate a global economy. He points to high corporate taxes and excessive federal regulation of innovation as major American problems. Democratic President Barack Obama demands fairness and protection for citizens whom the state cannot promote to full participation in the overall wealth of a rich, but very unequal, society (see the *One Pager* by Dan Vexler at p. 5). Obama does not defend a more vibrant social welfare state. Instead, he demands that federal and state governments rescind their preferences for wealthy and connected groups through measures like the 'Buffett Rule' in order to ensure that millionaires do not exploit tax loopholes.

Republicans and Democrats agree on the limits of state power abroad; none of the candidates has articulated a vision of global change led by Washington. Both Romney and Obama are skeptical of big ideas, like 'democratization' and 'development.' Both also favour a gradual reduction of America's presence in Iraq and Afghanistan. They are foreign policy realists who affirm American power, but also acknowledge very severe limits on Washington's global leverage.

These candidate positions represent a historical departure from the post-WW2 faith in the progressive capabilities of state power – especially when wielded by a strong, centralized government bureaucracy. The focus for both Republicans and Democrats is on the challenges of the moment and the failures of traditional government institutions. The debate centres on pragmatic and ideological responses to political and economic crises that accept the fundamental weakness of government – betraying the fact that we are living in an anti-institutional moment. We are living in a moment that plainly undervalues



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the vital things that states must do. And yet such disparagement of the state and its bureaucratic arms – just as we struggle to address our current problems – will, sadly, constrain the future possibilities for policy improvement. For rhetoric about state failure is, in fact, self-fulfilling.

The obsessive popular focus on the image, character and ideology of the American president and his foreign counterparts is a symptom of this phenomenon. Skeptical about the prospects for positive change through established institutions, voters are looking to individuals who promise to transcend their government bureaucracies. They are looking for Max Weber's charismatic hero.

The great German sociologist of the late 19th century defined charisma as the prophetic 'magic' of an individual who promises to break through the barriers of institutions and traditions in order to create new solutions to inherited and seemingly intractable problems. In a period when governments have struggled to manage economic turbulence, demographic imbalances and strategic threats,

and accountability for actions – the hallmarks of government bureaucracy – we hear only talk of 'scaling back,' 'deregulating' and 'competing.' These are all virtues, but they assume a much more limited horizon for the purposes and aims of the modern social welfare state. These approaches reject the post-war promises of shared economic opportunity, fairness and equality. Even past Republicans like Ronald Reagan and conservatives like Helmut Kohl would be surprised to hear their successors' skepticism about state investments in economic growth, education and democratization. The Cold War ended, after all, with major American and West German government commitments to space-based security, universal higher education and European unification (see the *Tête à Tête* interview with Hubert Védrine at p. 8). The collapse of communism marked the success of the post-war welfare state, triumphantly on display in Western Europe. Twenty years later, all of this seems like ancient history – at least judging by the political rhetoric on both sides of the Atlantic.

Barack Obama, Stephen Harper, David Cameron and Angela Merkel have all turned away from many inherited government commitments to public welfare, equality and social justice. They have substituted individual rights and national competitiveness for prior attention to the 'public good.' Is it not striking how little leaders use that last phrase in today's world? Public figures frequently invoke the phrase 'national interest' in order to promote security and economic growth in the aggregate, but they remain quite silent on questions of distribution and sustainability. This, then, is the curious and contradictory pursuit of national interest without the public good. This is a definition of the national interest that largely leaves out what are arguably the most important functions of the state.

Accordingly, leaders have concentrated extraordinary powers in their offices by pledging to do less, not more. Their emphasis is on preventing bad things – terrorist attacks, nuclear proliferation, job losses, and even tax increases – from happening, not on providing a positive, kinetic vision for the future. Presidents and prime ministers are flexing their muscles in order to break through bureaucracy without building much in its place. They promise order and control over those with expansionist agendas for government and society. In this context, they have reduced the portfolios of other governing officials – even within their own parties – and they have acted to subvert what they diagnose as the flawed behaviour of the EU, the US Congress, and especially the agencies of the UN.

State leaders are asserting their authority as alternatives to established governmental and intergovernmental bodies. They are strong leaders of states, but they claim to transcend their states.

They are ambitious figures, but their ambitions are individualistic and shallow in vision. This is, in the end, why they fail to inspire. This is why their achievements are so slim.

President Obama is one of many figures who can claim, with justification, that he has prevented the economy and the international system from getting much worse. He cannot claim that he has made things much better. Without a positive vision for policy improvement, the powerful rhetoric about national interests in the US and other societies undercuts the investments in state institutions that are necessary in order to make that rhetoric a reality. If we are only cutting and reducing, then we are not building and creating.

Of course, the modern state, with its vast bureaucracy and rigid routines, is not just the problem. The state must also be the solution. This is the central lesson from the history of the last century. Every major achievement in economy, society and security involved heavy and direct state investment – along with regulation and management. Take, for instance, the modern consumer market. Citizens began to purchase more disposable items and spend more of their income on non-essential goods in Europe and the US when they received easier access to credit. Personal credit markets were seeded by government loans and investments as early as 1900: they were regulated by government banks, and they were bailed out during their cyclical collapses by government treasuries. *Bref*: no credit, no consumerism. Without active government intervention, prosperous capitalist economies quickly devolve into corruption, predatory behaviour, and beggar-thy-neighbour policies. This was the story of the Great Depression that slammed societies after a decade of government retreat in the 1920s. The pattern was repeated in the years before 2008. The salvation from crisis in both periods – to be sure – has involved a return to more direct government loans, regulations and guarantees in the US, East Asia, and across the EU. Capitalism needs state intervention as much as it needs money and markets. They are all deeply interdependent phenomena or systems.

**A**NOTHER EXAMPLE of essential state intervention involves security. Max Weber famously referred to the state as the body that monopolizes sanctioned force. However, in the last century, the instruments of violence – even on a mass scale – have spread well beyond large government institutions. Private armies, insurgencies, paramilitaries and gangs have multiplied in many parts of the world – often because of their growing ability to acquire weapons (guns, bombs, rockets and even more sophisticated technologies)

and to train supporters to use them effectively. In parts of Pakistan and Yemen – to take just two examples – non-state actors dominate local society with impunity by force of arms. Weaponized groups are evident in more stable societies too, including Israel, Italy and the US. And so modern governments do not have anything close to Weber's monopoly of sanctioned force.

These conditions provide one of the most important arguments for continued attention to the legitimate and necessary role of state intervention. Security is not simply a matter of protecting borders and preventing terrorist attacks. It involves creating conditions for the basic functioning of society – from safe and predictable transportation, to access to crucial commercial resources, and assistance in times of disaster and threat. A secure society is safe, predictable and open. The elements of security that include more than brute police power are crucially important in a context in which there are so many groups that can threaten daily livelihoods.

Security is an essential state function that requires not only resources, but also effective management, regulation and accountability. Too little security imperils freedom and prosperity. Too much security, of course, has the identical effect. Finding the right balance is the most difficult and important task of every leader. It requires careful and extensive attention to government institutions and their correct functioning. Cutting government is not a solution. Managing government better for the public good is the only appropriate way in which to think about security.

In addition, security in one state is dependent on the security in other states. Violent threats cross borders with relative ease. Through modern media, insurgents in one country inspire those in another. Most of all, power vacuums draw troublemakers from other corners of the globe – providing a nesting place for the preparation of major attacks on established states. This was the clear lesson of the 9/11 terrorist strikes – organized in Afghanistan – and subsequent Al Qaeda actions in Spain, Indonesia, the UK, Iraq and other theatres.

National security is also global security. For the US, Canada, Western Europe and societies in every other region of the world, one cannot assure stability, safety and openness at home without some efforts to prevent other places from exporting violence. Failed states are indeed a threat to everyone (see the *Tête à Tête* interview with Lloyd Axworthy at p. 50). This observation does not necessarily justify military interventions and nation-building efforts (say, on the model of recent controversial American actions in Iraq and Afghanistan), but it does place a premium on the strategic uses of state resources in order to build security outside of society, as well as within.

Foreign interventions of significant variety are growing in frequency and importance for the sake

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charismatic alternatives to traditional patterns of behaviour appear attractive – perhaps necessary. Of course, charismatic figures are set up for failure if they cannot use government institutions in more expansive and creative ways. This was the self-defeating element of charisma that Weber also anticipated – when leaders define themselves against the institutions that support their power. Effective presidents and prime ministers need well-functioning and legitimate bureaucracies.

Every major leader in North America and Europe, however, blames inherited institutions for present problems. Each one promises to create new solutions through different combinations of the 'market' and the 'people' – both apparently freed from discredited routines and regulators. This is the image of decentralization and local control that is so popular today in the US – in particular – but also in Canada and the UK. This is also the obvious route to budget-cutting in a time of austerity: slash the bureaucracy and demand that citizens do more for themselves.

Instead of rational management of resources



of security. Successful NATO efforts to unseat Libyan dictator Muammar Gaddafi in 2011 are a case in point. Military deployments are, however, only one part of this dynamic. Aid transfers, loans, weapons sales, economic sanctions and concerted exercises in rhetorical pressure are all tools of non-military force – deployed by every large society in different mixes in order to assert influence and prevent potential threats. The speed and range of global change have contributed to this dynamic – encouraging more state intervention abroad, not less. For long-term security, government institutions and effective leadership are more indispensable than ever before.

But what should the 21st century state do? The contemporary debate about how much or how little state power we need is misguided. Campaigns for president on platforms of ‘limited government’ are dishonest and demagogical. For the reality of our world is that government is vital to all elements of personal freedom. It is good government that distinguishes free and wealthy societies from countries that appear stuck in poverty, instability and civil war. The man-

condemnations of such power. Although NGOs and inter-governmental organizations (including the UN) help, they do not substitute for the strategic use of state resources for international security. Non-state actors remain deeply constrained in their resources, their influence and, indeed, their legitimacy.

The global system of nation-states is alive and well. Contemporary rhetoric is saturated with condemnations of bureaucracy and longings for alternatives on the political left and the political right. These claims are not only premature; they exaggerate. They are also historically narrow-minded.

As a constellation of ideas and institutions, the modern nation-state has created numerous wars and other forms of suffering. It has also provided a foundation for the greatest growth in human peace and prosperity. Human beings live in a dynamic, cooperative, orderly and predictable world thanks to the system of nation-states (see the *Tête à Tête* interview with Steven Pinker in GB’s Fall 2011 issue). They can travel globally and live locally with unprecedented resource access because of trade and security between nation-states. They can think well beyond their own horizons because of nation-state institutions that educate, protect and cure their ills. In short, the nation-state is far from perfect, but it furnishes public goods that no other set of institutions is prepared to provide with comparable consistency.

The biggest hindrance to human prosperity in many parts of today’s world is too little government, not too much. The most pressing source of insecurity is too little nation-state-building in violent regions, not too much. The US has tried to address these problems by diminishing its own state power – even as the White House sends more soldiers across the globe. This contradiction has contributed to more frustration at home and abroad. The juxtaposition of the recent war in Iraq and the 2008 economic crash is evidence of this troubling dynamic. Americans, in particular, expect too much with too little collective effort. They demand the benefits of government without the concomitant costs and sacrifices.

The solution is not to continue to diminish state power, or to renounce efforts to improve the world. Low expectations only encourage more suffering and decline. The challenge of the times is once again to think big – working to rebuild and reallocate state power for better purposes in backyards and distant neighbourhoods alike.

The nation-state is the best hinge for a new-century community of peaceful and prosperous peoples. What the world needs most of all is a new set of creative, cosmopolitan state leaders, willing to redesign the modern machinery of bureaucracy for beneficial ends. Instead of trashing the state, there ought to be sober thought and talk about how to use it in bolder and better ways. | GB

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agement of state institutions and their use for citizen empowerment is the crucial variable distinguishing ‘developed’ from ‘developing’ nations. Comparisons between South and North Korea, or between India and Pakistan, make this point very clear.

A similar argument applies to our contemporary discussion of foreign policy. Debates about whether or not to intervene abroad, and whether or not to ‘nation-build,’ are unhelpful. Security in a global context invariably requires some efforts at targeted foreign intervention and nation-building. Large states cannot assure their peace, stability and prosperity without reach beyond their borders. The real questions are, of course: where, when and how? Where should large states – like the US – focus their overseas efforts? When is the right time to act against an emerging threat? How should a large state allocate its military and non-military resources for the greatest effect?

These are questions that turn on deploying the power of government institutions in the international system – rather than fleeing to simple

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