
Getting to Denmark

Francis Fukuyama

**State-Building: Governance and
World Order in the 21st Century**

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137 pages.*

Reviewed by Tod Lindberg

Francis Fukuyama was a little-known but respected researcher at the Rand Corporation when he burst on the intellectual scene in 1989 with an article in the *National Interest* called “The End of History?”

The essay drew on the published 1930s lectures of the Russian-born French philosopher Alexandre Kojève on G.W.F. Hegel’s *Phenomenology of Spirit*.

Kojève was himself a thinker then little known in America outside the circle of students of Leo Strauss, who viewed him as the villain in a philosophical exchange with their teacher over the question of tyranny, in which Kojève offered a notorious defense of Stalin. Kojève, a Marxist of a kind, took hold of a section of the *Phenomenology* devoted to the master-slave

dialectic, developing it into a clash between a class of masters, those willing to risk death over a matter of pure prestige, and a class of slaves afraid to risk death but willing to give their labor over to the masters in exchange for their lives. The dialectical solution to this class struggle was what Kojève called the “universal and homogenous state,” characterized by universal satisfaction in the mutual recognition of the freedom and equality of each—in other words, the end of history understood in the Hegelian sense as the progress of spirit. The universal and homogenous state was the necessary outcome of the combination of absolute wisdom Hegel claimed to possess and the political achievement of Napoleon in spreading the rights of man. Hegel claimed to have witnessed the “end of history” with the victory of Napoleon at the Battle of Jena in 1804.

Kojève did not disagree. What did Stalin represent but the smashing of the feudal system in Russia once and for all and its replacement with a universal class? What was Mao but the coming of the Napoleonic Code to China? The universal and homogenous state need not have arrived in order for those in possession of absolute wisdom, as Kojève maintained he himself possessed, to see it coming.

Fukuyama’s essay was generally thought to have stood Kojève on his

head: With the collapse of the Warsaw Pact and of Soviet Communism, Fukuyama argued that the end of history had indeed arrived. With communism dead, no ideological competitor to democratic capitalism remained. In the place of the universal and homogenous state, Fukuyama postulated as the endpoint a world consisting of peaceful states all organized on the democratic capitalist model.

That a lengthy article devoted to a serious discussion of the question of the supposed end of history in a Hegelian-Kojévian sense should capture the imagination of the world is implausible. Yet that is precisely what happened. Of course, most of the attention devoted to the article was dedicated to the proposition that Fukuyama was a fool: Look around and you can plainly see that history, bloody history, is still going on. But even after tossing out the remarks of those who criticized the article without having read it, one also had to discount the response of those who had read it but hadn’t understood it, a group to which no doubt many of his critics belong. Fukuyama fleshed out his argument to book length in *The End of History and the Last Man* (1992), in which he also drew out a description of Nietzsche’s critique of egalitarianism and the arrival of a world of “men without chests”: Would the price of the end of History

and the arrival of Nietzsche's "last man" turn out to be a leveling of human possibilities that precluded great achievement?

There are several points on which Fukuyama's argument is subject to legitimate challenge. For starters, Fukuyama was not quite right in thinking that he turned Kojève upside-down: Fukuyama's vision of the end-state is, in fact, not all that different from Kojève's. The universal and homogeneous state is not a "state" in the sense in which we currently use the term but a comprehensive network of juridical relations allowing substantial local variance: A world of closely affiliated democratic states would fit the bill, and of course, to the extent that rising or at least steady prosperity would be desirable, market economics would be essential. Orthodox followers of Strauss held that Kojève's vision of a "universal and homogenous state" was monstrous, in accordance with a remark of Strauss' that any "universal" state would necessarily be tyrannical. Kojève's *Outline of a Phenomenology of Right*, however, offers a detailed account of, among other things, how such a state could not be tyrannical and come into being.

The essential question posed in "The End of History?" is the essential social question as such: Most

of us have an intuitive sense that there is such a thing as "progress." Is that true? On the basis of what are we entitled to reach such a conclusion? Since the appearance of "The End of History?" these questions have been at the center of Fukuyama's own research. Rather than living off of the idea that made him famous—and who among us cannot name academics who have made a career out of a central insight tiny not only comparatively but in absolute terms?—he has spent the years since probing deeper, unflinchingly challenging his own early conclusions.

The first major problem Fukuyama confronted following *The End of History and the Last Man* might be characterized as the social foundations of democratic capitalism. In the immediate post-Soviet period, there was a widespread sense that capitalism was something like a naturally occurring phenomenon: All one had to do was remove the political structures impeding it, and it would flourish. Although by now this seems like naïveté, at the time, it manifested itself in such forms as policy proposals for the rapid privatization of state-held assets in the former Soviet Union as well as numerous other elements of what became known collectively as the "Washington consensus." If there is private property, the consensus went, capitalism will follow.

Fukuyama's answer to this was *Trust: The Social Virtues and the Creation of Prosperity* (1995), a book in which he explored the social fabric that is a prerequisite of successful capitalism. In the absence of relations of trust between parties engaged in a transaction, the transaction is less likely or unlikely to take place. According to Fukuyama, relations of trust, though they go hand in hand with the increasing prosperity of capitalist societies, are not themselves the product of capitalism. Perhaps the most vivid illustration of this is the prosperity of ethnic Chinese throughout Asia relative to the local majority populations among whom they live. The key to the enhanced prosperity is trade—but not trade in general. Rather, ethnic Chinese trade especially heavily among themselves because notwithstanding the diaspora they share a common language and a common cultural background. In a word, they feel they can trust each other.

But what if capitalism itself tended to undermine the social cohesion that capitalist society requires? What if the culture of “instant gratification” fostered by twentieth-century capitalism led to social pathologies that could undermine the capitalist edifice? With the old-style virtues Max Weber had catalogued in *The Protestant Ethic and the Spirit of Capitalism*

apparently on the wane—thrift, hard work, patience, delayed gratification—and crime, divorce, sexual promiscuity, and illegitimacy on the rise, could the system be counted on to hold together sufficiently well to allow us to conclude that it constituted a final answer in terms of the organization of economic affairs?

Fukuyama addressed this question in *The Great Disruption: Human Nature and the Reconstitution of Social Order* (1999). Surveying a vast social-science literature on trends in social pathology, he arrived at a startling conclusion—and one that is still deeply resisted among “culture warriors” of the Right: The intersection of questionable social policy (long-term welfare for the able-bodied, for example), the new capitalist economics (easy credit, for example), and technology (the birth control pill, for example) had indeed led to a “great disruption.” But surprisingly, far from being on a downward spiral to perdition and social breakdown, by Fukuyama's reckoning, trends seemed to be reversing. Society was “renorming”—not, to be sure, to the old, lower levels of out-of-wedlock births, but at higher levels that might well prove to be stable and socially sustainable. So on top of the social fabric measured in *Trust*, we see a certain social resilience emerging in *The Great Disruption*. Both are deeply

reflective of the human nature that finds fulfillment in the arrangements at the end of history.

Not long after the publication of “The End of History?” Fukuyama remarked that he thought his thesis was most vulnerable on the question of its assumptions about human nature. The claim that democratic capitalism is the most satisfactory to mankind depends on the fixed nature of mankind. But what if human nature is not fixed? What if human beings find themselves with the capacity to alter human nature through such technological means as genetic engineering?

The result was *Our Posthuman Future: Consequences of the Biotechnology Revolution* (2002), a warning about the dangers known and unknown of developments in biotechnology:

These developments will... challenge dearly held notions of human equality and the capacity for moral choice; they will give societies new techniques for controlling the behavior of their citizens; they will change our understanding of human personality and identity; they will upend existing social hierarchies and affect the rate of intellectual, material and political progress; and they will affect the nature of global politics.

Fukuyama concludes with a set of policy prescriptions designed to provide a regulatory framework to lessen

the potential harm, but his argument leaves unclear whether he regards these reforms as anything more than palliative.

Now comes *State-Building: Governance and World Order in the 21st Century*, where Fukuyama probes some difficult questions about states: What makes some states successful and others fail? To what extent can we transfer our knowledge about what works in one state to another? What kinds of problems are susceptible to “technocratic” fixes?

This book, which began as a series of lectures at Cornell University, is primarily concerned with identifying the problems we face in developing state capacity. Solutions, if they are forthcoming, will come later. There are, he writes, serious “limitations on the ability to transfer existing knowledge about institutional construction and reform to developing countries.... But the problem is in fact even worse: The international community is not simply limited in the amount of capacity it can build; it is actually complicit in the *destruction* of institutional capacity in many developing countries.” African “development” since decolonization is a case in point.

State-Building argues that the problem in the world today is not, as

some have proposed, the increasing obsolescence of the state. Rather, it is the weakness of all too many states. We have not solved the problem of how to transform so-called “weak states” or “failed states” into fully functioning modern polities—the problem of “getting to Denmark,” as Fukuyama cites other scholars’ pithy description, “where Denmark,” he continues, “stands generically for a developed country with well-functioning state institutions. We know what ‘Denmark’ looks like, and something about how the actual Denmark came into being historically. But to what extent is that knowledge transferable to countries as far away historically and culturally from Denmark as Somalia and Moldova?”

Yet until we have functioning state structures, the Denmarks of the world (including the United States and Israel) will be at risk from the territories of failed states: “What only states and states alone are able to do is aggregate and purposefully deploy legitimate power. This power is necessary to enforce a rule of law domestically, and it is necessary to preserve world order internationally.” In the absence of the dominance of legitimate power, illegitimate power arises, and it is folly to think that such power will confine the trouble it makes to the borders of the failed state it has colonized.

State-Building is not an especially sexy book. One set of graphs, for example, plots public sector outputs on the basis of an x-axis of “specificity,” from low to high, against a y-axis of “transaction volume,” from low to high. Central banking is a matter of very high specificity and very low transaction volume. It is accordingly easier to adopt a technocratic approach to central banking. A court system has fairly high specificity but very high transaction volume. Such systems are accordingly difficult to approach in a technocratic fashion. This is a very interesting but not quite scintillating discussion.

In the end, however, this is as it should be. As a practical matter, we have arrived at the limits of brilliance, at least for the time being. We know what we want: Competent, accountable, democratic governance that creates conditions for the improvement of people’s material prosperity and allows ample space for a civil-society sector, family life, and individual freedom. Nothing else, as Fukuyama made clear in “The End of History?” will do. But how to get there? The path is not clear, the burden is heavy, and the stakes in terms of human lives are vast.

Thanks to Fukuyama’s latest book, we have yet another caution to weigh,

on top of the ones he has outlined in previous volumes, in relation to the “end of history.” A system of peaceful, democratic, market-oriented states may indeed represent the best of all possible worlds, and we may be confident of this conclusion and confident also that the world has made a lot of

progress toward that end. But we are not there yet, and we ought not take anything for granted.

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