

# Book Review Symposium

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*American Amnesia: How the War on Government Led Us to Forget What Made America Prosper.* By Jacob S. Hacker and Paul Pierson. New York: Simon & Schuster, 2016.

## INTRODUCTION

On September 1, 2016, I chaired an Authors Meet Critics panel at the annual meeting of the American Political Science Association on Jacob S. Hacker and Paul Pierson's new book, *American Amnesia: How the War on Government Led Us to Forget What Made America Prosper*.

The roundtable was scheduled for 8:00 a.m. on a Thursday, a somewhat unforgiving slot that often draws tiny audiences. *American Amnesia*, however, brought in a standing-room-only crowd. At 7:45, every seat in the conference room was filled. By 8:00, another 20 scholars were standing along walls, some of them shoulder to shoulder. At least a dozen more were turned away at the door because the crowd had exceeded the maximum occupancy posted by the fire marshal.

Why so much interest in *American Amnesia*? Professional reputation surely played a role—Hacker and Pierson are important and influential scholars, and *American Amnesia* drew an all-star group of critics: Steven M. Teles, Henry Farrell, Theda Skocpol, and Thomas E. Mann. Any panel with a combined citation count of over 50,000 and a former APSA president is bound to fill a few seats.

But reputation alone wasn't what brought people to that panel. *American Amnesia* didn't attract some of the best minds in its field to serve as critics just because Hacker and Pierson are well known. Scholars don't jam-pack bright-and-early panels at APSA just to sit near their professional role models.

*American Amnesia* draws a crowd because it deals with important and timely issues—challenges that could endanger the economic and political order that has made the United States what it is today.

Hacker and Pierson argue that our country's soaring prosperity during the last century or so was the result of its mixed economy, a robust capitalist sector subsidized and supported

and counterbalanced away from its most destructive excesses by an energetic and attentive government. This mixed economy is a hallmark of the most economically successful nations, and it was quite possibly America's greatest intellectual achievement.

But the regulation and taxation that come with a mixed economy naturally take a toll on powerful people—industrialists, the rich, and so on. And in the last few decades, many of them have responded by mounting a historically unprecedented attack on government that has injected antigovernment ideology into political discourse, propelled antigovernment organizations into the pressure group system, and found an effective ally in the Republican Party. As a result, *American Amnesia* argues, a distressing number of our political and economic leaders have been blinded to the ways that government complements and enhances free-market capitalism and have aggressively moved to dismantle many of the policies that have allowed the American economy to flourish. Marx and Engels predicted that capitalism would be destroyed by the workers; Hacker and Pierson argue that it might actually be the captains of industry.

In the pages that follow, Farrell and Mann expand on the comments they made at the annual meeting. They have the benefit of both extra time to reflect on the book and also the knowledge of political events that had not yet unfolded last September.

If any point in *American Amnesia*'s argument didn't quite bring the audience along at the 2016 APSA meeting, it may have been the book's dire seriousness about the potential consequences of our country's growing political amnesia. When I used the phrase "the survival of the economic and political order that has made the United States what it is today" in my opening remarks, several people in the audience audibly chuckled. Sure, the opponents of regulation and the social safety net have created a vast and sophisticated network of advocacy organizations, think tanks, and media outlets. Sure, they've convinced the Republican Party to adopt a radical antigovernment platform. Sure, politicians and pundits rou-

tinely rewrite our nation's history, recasting the regulatory state that made our country flourish as evidence that our country has strayed from some imagined pure-free-market past. Those are all important problems, well worth the trek to an 8:00 a.m. panel. But could our way of life really be at stake here? Most of us at the APSA annual meeting (me included) thought that Hillary Clinton was about to be swept into the White House. How much harm could political amnesia really be doing to our nation's core values?

*American Amnesia's* warnings may not seem as far-fetched to scholars now as they did back in September. In a post-truth world, political amnesia seems less abstract, and the possibility that our economic and political leaders might take our nation down a suicidal path in pursuit of imaginary enemies seems more feasible. If the United States doesn't somehow remember the many ways that government interventions into economic affairs have promoted our country's prosperity, leaders trying to make America great again may well destroy the institutions that make America great.

And if that happens, our 8:00 a.m. APSA panel might seem both ahead of its time and also tragically too late. *American Amnesia* is an important and timely book that deserves the attention of every scholar of American politics. Unfortunately.

**NICHOLAS CARNES, Duke University**

Jacob Hacker and Paul Pierson have written a very valuable book on the development of American politics over the last 50 years. Academic political science has a contradictory relationship to public intellectualism—it simultaneously sneers at writing for a nonacademic audience and worries about its lack of public outreach and influence. *American Amnesia* is clearly written, has a minimum of jargon, and uses theoretical insights as the bone structure for a compelling narrative, rather than seeking to anatomize the skeleton itself. It is also a model for how to combine first-rate social science with broader public engagement.

Over the last decade, rather than looking to simplify political science arguments for a broader audience, Hacker and Pierson have been engaged in a kind of dialectic, tacking back and forth between academic debate and engaged public commentary. As academics, they develop new and valuable concepts that are relevant to our understanding of politics. As public intellectuals, they write books that apply these ideas to manifestly important public controversies. This allows them to think through the controversies, better understand the underlying theoretical issues, and go back to the academy to further develop and refine concepts in a continuing process.

This is a great model. It is also one I am selfishly grateful for as an academic engaged in public debate. It has paved a way for me—and younger and brighter scholars than I—to engage with a broader public without selling the scholarly mission short.

My criticisms of the book are intended to contribute to the next stage of that dialectic process. Hacker and Pierson have written a great book that is both oriented toward the broader public and intended as a platform for further academic work. What are the questions that the next stage of academic work should focus on?

I see three important new research agendas stemming from the book. The first is building a positive theory of the state's role in dealing with complexity. The second is building a better theory of ideas in historical institutionalism. The final agenda is to build a more two-sided account of how changes like the eclipse of the mixed economy happened, which looks at the interactions of losers' and winners' strategies.

Hacker and Pierson's book provides an account of the heyday of the mixed economy, when we accepted that we need markets to provide goods, and a state to regulate and navigate markets as the economy becomes increasingly complex and interdependent. It also provides an account of the mixed economy's decline. For Hacker and Pierson, the government needs to be independent of markets. They borrow an image from Charles Lindblom, arguing that if markets provide the agile fingers to encompass quickly, state hierarchy provides the opposable thumb that grasps and provides leverage. During the peak period of the mixed economy, thumb and fingers together accomplished considerable feats of prestidigitation. However, under new understandings of politics, which emphasize the benefits of markets, the state either recedes into the background or, still worse, is captured by market actors. This has become more problematic as the economy has grown ever more complex and interdependent, so that "the likelihood that our actions will be consequential for others—that they will produce externalities—increases dramatically" (76). A weaker state is incapable of dealing with these externalities and complexities.

Hacker and Pierson provide a strong rejoinder to libertarian accounts suggesting that markets generate the solutions to their own problems. They point to the multiple ways in which opportunistic market actors take advantage of ordinary citizens' myopia and limited information. They also point to the deliberate undermining of state institutions (such as the Office for Science and Technology Policy) that provided authoritative advice on complex issues.

What they do not do is to provide a positive theory of the circumstances under which states will be able to tackle complexity and figure out the best ways to deploy its hierarchical

power. Libertarians have Hayek's arguments about the market's capacity to harness diffuse knowledge in beneficial ways to deal with very complex problems. Scholars of the state have no apt rejoinder. Some of the building blocks for such a rejoinder are present in Lindblom's work on policy making, John Dewey's account of interdependence and the formation of publics, and recent work by scholars such as Jack Knight and James Johnson, Hugo Mercier and Dan Sperber, Scott Page, Jenna Bednar, David Lazer, and Winter Mason on problem solving. Yet these building blocks have yet to be assembled into a structure.

A second important agenda is to build a better account of the relationship between institutions and ideas. Historical institutionalism has bifurcated over the last 15 years. On the one hand, scholars such as Hacker and Pierson, Kathleen Thelen, and others have emphasized material interests, not ideas, as the engine of institutional change. On the other, scholars such as Mark Blyth, Vivien Schmidt, and (within economics) Dani Rodrik emphasize ideas as the motor force reshaping interests. Given this sometimes fractious history of debate, it is notable that Hacker and Pierson now explicitly argue that "ideas *were* crucial," especially in the initial right turn (171), and were efficacious because they "intersected with and guided powerful economic interests" (172). This suggests a more productive shared agenda for historical institutionalists on both sides of the divide, which would look to develop new tools to investigate the intersection between ideas and interests, and the material pathways and consequences of this intersection. On the one hand, this would require materialist historical institutionalists to engage explicitly with ideas in ways that they have sometimes been reluctant to do in the past. On the other, it would require ideational historical institutionalists to be more precise about the material channels through which ideas are developed and guided and have substantial institutional consequences.

Finally, the book points toward the need for a more two-sided account of how major secular changes—such as the eclipse of the mixed economy—occur. This requires not only empirical research but conceptual development. Beneath the narrative of *American Amnesia*, it is easy to discern the arguments about policy drift, conversion, and layering that Hacker and Pierson have developed alongside Thelen, Wolfgang Streeck, Eric Schickler, and other scholars. These forces explain how a winning coalition managed to reshape the economy, through organizing for particular kinds of institutional change, disseminating ideas, and helping "effect to become cause" via feedback loops in which policies generate the sub-coalitions that feed their further development.

Yet it is also fair to say that Hacker and Pierson's account emphasizes the winners rather than the losers. The authors' account suggests that the winning coalition deployed drift,

conversion, and so on adeptly so as to promote empirical change. It has very little to say about how other actors—who did not favor the winners' approach—responded, and whether their responses had any consequences. This perhaps speaks to a more general ambiguity in the historical institutionalist literature over whether layering, conversion, and so on are processes/mechanisms of institutional change or, alternatively, strategies deployed by actors in pursuit of institutional change. If they are the former, then it is reasonable to see them as explanations in themselves. If they are the latter (as some of Hacker and Pierson's previous work suggests), then we need to pay attention not only to the strategies pursued by the winning coalition but also to the strategies pursued by the losers, or those pursuing different ends entirely, and how they intersect, distinguishing sharply between the (intersecting) strategies employed by different actors, and the consequences that this combination of strategies has for institutional change.

This would not and should not lead historical institutionalists to try to emulate rational choice scholars by looking for some equivalent of rational choice scholars' static notion of equilibrium. If institutions are processes over time, they are processes in which much of the dynamism comes from coalitions of actors looking to exploit the fissures and loopholes in existing institutional arrangements to provoke new rounds of change. Yet it would oblige historical institutionalists to think more systematically both in synchronic ways—looking at how different actors' strategies of drift, conversion, and so on intersect at particular junctures in time—and diachronically, about how one coalition's strategy may produce new opportunities for other actors to employ new strategies in the future.

**HENRY FARRELL**, George Washington University

**A**merican Amnesia is the latest in a trilogy of books written by Jacob Hacker and Paul Pierson linking original scholarship on political economy, policy, and politics to pressing questions of the troubled state of American democracy. Beginning with *Off Center* in 2005 and then following with *Winner-Take-All Politics* in 2010, Hacker and Pierson were prescient in recognizing asymmetries in the party system and in grappling with increasing economic and political inequality. All three volumes were very well done, each richer and more ambitious than the previous one. The authors proved themselves scholars of the first rank, superb collaborators, and public intellectuals with an uncanny ability to write in a style accessible to a wide audience.

The subtitle of their latest book, *How the War on Government Led Us to Forget What Made America Prosper*, makes their central argument crystal clear. “It takes government—a lot of government—for advanced societies to flourish” (1). America’s unprecedented economic and social progress in the twentieth century rested on a “mixed economy”—one in which business and government were more partners than rivals. The former channeled the “animal spirits” of capitalism into broad-based economic growth and social development; the latter provided essential public investments that laid the foundation for prosperity and public rules that tempered the volatility of private markets and kept private players from distorting or capturing government. This great innovation has been under attack from antigovernment market fundamentalists who threaten to scrap the essential ingredient of our prosperity.

*American Amnesia* has many virtues. It embraces a deep historical perspective, including a fascinating discussion of a “Great Divide” separating millennia of little improvement in the harsh realities of human existence and a century of explosive increases in life span, well-being, and creature comforts. The writing style is elegant and engaging, thanks in part

to helpful metaphors and many pertinent literary references. The authors are rigorous in their economic and political analysis and passionate in advancing their conclusions about the costs of a rightward drift in our politics. They launch an unabashed critique of libertarianism, of both the hard and soft Randian variety. And the upbeat nature of their argument is especially admirable: We can make our already prosperous society much more prosperous. And in doing so, we can also get our troubled democracy back on track.

This book provides fertile ground for further scholarly investigation and public debate. One avenue is comparative. How much of the story in *American Amnesia* is unique to America? Are other countries managing these difficult times more effectively than we are? Another goes to the centrality of diminished economic rewards and opportunities for the performance of democracies at home and abroad. Given the salience of white nationalism and identity politics in the election of Donald Trump, are the hurdles to a positive-sum society more formidable than the resistance to a mixed economy?

**THOMAS E. MANN**, Brookings Institution and University of California, Berkeley