

A Competent America – What Will It Take?

The Quick Snapshot

Here's the starting point I recommend: Acknowledgment that America lacks many of the traits essential to its competence and success in the twenty-first century. The situation goes beyond "what's broken" reasoning; we are also in a "what's missing" dilemma. We cannot yet visualize the success factors America's promise requires of us. This can be redressed by accepting responsibilities in three important areas, and developing the skills required to fulfill those responsibilities.

The three responsibilities of a competent public in a competent America:

- Holistic Citizenship
- Business Model Redesign (and Compassionate Transitions)
- Enterprise-Level Integration

These responsibilities require of us a commitment to integrity and to the national interest. They cannot be met if we accept special interest corruption as a way of life.

These responsibilities are pivotal to our future. Accept them, in a spirit of integrity, in a spirit of putting the national interest first, and we the American public can help America fulfill its promise. Reject them, or dither with them in a spirit of corruption, and we as the American public will make it impossible for America to fulfill its promise. This isn't about red and blue, right and left, Republican and Democrat. This is about integrity – especially integrity at scale. A nation that practices integrity at scale can thrive; a nation that prefers special interest corruption will not thrive.

Key Assumptions

Civic Culture. Political observers like to speak of "public opinion." All of us speak of popular culture. We also speak of ethnic culture, as in "a good Jewish boy will always marry a good Jewish girl," and so on. But "Public opinion" is too narrow a concept. What matters is "Civic Culture," the partly conscious and partly reflexive set of views we hold as individuals and as a society about the overall conduct of the nation's civic life, from the very small to the very large.

Civic Culture – Key Tensions. Every society experiences a tension between Tradition and Change. The pull of tradition asks us to sanctify existing rules and codes; the pull of change asks us to reimagine, reinvent, and redesign. Every society experiences a tension between special interests and the general interest. Every society experiences a tension between corruption and integrity. A healthy civic culture helps us lean toward change when change brings improvement. It helps us subordinate special interests to the general interest. And it helps us suppress corruption and emphasize integrity.

Scale. This is an era of vast scale in so many areas of life. Vast scale in energy, in medicine, in agriculture, in banking, in retailing, in transportation, in communications, in public buying power, in politics, in government, and so on. It is also an era in which activities that take place at vast scale have consequences at vast scale – sometimes for good, and sometimes for ill. Is our civic culture up to the challenges of scale? Not yet.

Integrity. Early in our lives, our parents give us moral instruction. If we misbehave and cause harm others, we are to take moral responsibility for the consequences and alter our behavior. Because this lesson is widely taught and widely learned, community life and family life work reasonably well in most parts of the nation. At its heart, this lesson is all about integrity – accepting moral responsibility for our behaviors and their consequences.

Integrity at Scale. In a world of vast companies, vast markets, vast political parties, vast government agencies, and mass markets of vast size, one might think the same principle would be put into practice. Accept moral responsibility for our behaviors and the consequences they create. Shouldn't corporations operate this way too? For them to do so would make perfect sense. This is an important principle – I call it integrity at scale. Yet this quality, integrity at scale, is visibly missing in both political parties and in several of this nation's most vital industries. It is one of the mysteries of our civic culture – why is it that we value integrity as individuals and as family members, but not as members of large corporations and other institutions?

Design Matters. Large institutions are assembled from templates, from standardized ways of doing business that reflect design decisions about how each particular institution is supposed to work. If consequences at a vast scale are a function of behaviors at a vast scale, then those behaviors in turn are a function of the specific business templates that were created to shape those behaviors. And each business template, in turn, is a function of a set of design choices. And design choices, in turn, are in part a function of moral responsibility.

Those who design business templates in a spirit of moral responsibility will make one set of choices; those who design business templates in a spirit of unbridled corruption will make a very different set of choices. Businesses of all kinds operate at vast scale whenever their markets allow them to turn their templates into engines of endless replication. It is the power of replication on a vast scale that makes moral responsibility so important, that makes design so important. Wise decisions have beneficial consequences; corrupt decisions can have terrible consequences. Integrity matters. And design matters. Because America matters.

Valuing Society in all its Parts. Let's embrace multi-perspective thinking for a moment. Let's imagine America as a matrix of assets and operating sectors. Let's imagine America at night and on weekends as a vast storehouse of capital – environmental capital, human and community capital, economic capital, civic

capital. Let's imagine America during the workday as a vast collection of operating sectors – for profit industrial sectors, not for profit sectors, public sectors. Let's imagine the workday view as an income statement view – how much have we made and how much did it cost us? Let's imagine the after work view as a balance sheet view. What's the extent and value of our enduring heritage?

Let's imagine that we itemize our assets across the top of the matrix. Let's imagine that we itemize our operating sectors down the left side of the matrix. Our operating sectors interact continually with our assets, and at the end of the day, we are left with two questions. The first is the workday question – how much did we make? And the second is the after work question – did our commercial activities leave our enduring assets in an improved condition or in a degraded condition?

As citizens of an after-work America, we have stewardship responsibilities that call upon us to value our nation's enduring heritage. As citizens of America at work, we have commercial success responsibilities – we want our nation's businesses to thrive and make money. As citizens who combine the two, we want business to succeed using methods that honor and protect our nation's heritage, not by using methods that degrade our heritage.

Holistic Citizenship – Five Responsibilities

In an America that works properly, our civic culture would teach us – in our roles as citizens – to accept five areas of responsibility:

- 1) Asset Stewardship. The nation's capital heritage is in our care. We are to be stewards of America's capital in all its forms - environmental capital, human and community capital, commercial capital, civic and governmental capital.
- 2) Commercial Success. America's operating businesses, especially its for-profit businesses, are of inestimable value and will thrive best if the nation's citizens want them to do well.
- 3) Wise Public Policy. America's public sector is shaped by its laws, which in turn are shaped by the policy preferences of its civic culture. Responsible citizens want public policy to be as wise as possible.
- 4) Active Volunteerism. Much of society's virtues are the fruit of active volunteerism and a spirit of community service.
- 5) Large Hat Patriotism. It is in our nature to defend the special interests we know best; it is also part of our role to defend the national interest, and to ask America's special interests to make sacrifices should the pursuit of their special interest goals be damaging to the national interest.

To realize why these five areas of responsibility are so important, imagine a nation in which they are regularly disregarded by the American people. We wouldn't have the spirit of stewardship so essential to protecting America's enduring heritage. We wouldn't have support the nation's commercial energy. We would be indifferent or hostile to the practice of wise public policy. We wouldn't have the spirit of

volunteerism America needs. And we wouldn't put the national interest first; instead, we'd defend our special interests and whittle away at the national interest. America's civic culture wouldn't be healthy, and America wouldn't function as a competent nation. Holistic citizenship is essential to America's future, and in its five parts it is the first of three large areas of civic responsibility.

Business Sector Redesign (When Necessary)

In today's America, different business sectors practice different levels of moral responsibility. The most troubling sectors are those whose profits depend most heavily on corruption and the freedom to misbehave. For starters, think fossil fuel energy, think medical care, think investment banking, think real estate development, think antibiotic intensive meat production. When key aspects of an industry's business model require the nation to tolerate morally irresponsible behavior, that industry will invest heavily in corrupting our civic culture and our elected officials.

A competent America would blow the whistle on corruption and demand more beneficial business models from those industries that presently misbehave so harmfully. A competent America would flag the business models that flout basic principles of integrity; it would analyze the current business model in detail; it would itemize its most serious flaws; and it would work carefully re redesign the business model to ensure success on all key dimensions – good stewardship, commercial promise, public policy wisdom, large hat patriotism. It would develop a compassionate transition strategy to help the industry let go of its corrupt past and embrace its beneficial future.

This is quite an optimization challenge, but it is essential that we develop the chops, as a nation, to pull this off. Optimized redesign is an essential skill in a truly competent America.

On the other side of the coin, many industries are capable of practicing integrity at scale and thriving as they do so. "Triple bottom line" standards – financial success, social success, environmental success – have taken hold inside dozens of major corporations. Financial analysts report that the nation's most responsible corporations generally enjoy greater commercial and financial success than their less responsible competitors. In many industries, a spirit of corporate responsibility improves a company's financial results.

A wise America cares deeply about this difference. It wants all industries to practice good environmental stewardship. It wants all industries to operate within business models that encourage integrity at scale. It celebrates those that already do, and it challenges those who remain committed to corruption to come out of the shadows and join the quest for high integrity business models.

Easy to say. Not easy to do. We live in a time when our civic culture has been corrupted by a series of appealing but wrongheaded civic fables. Our civic culture will have to shed these fables before we as a people will have the capacity to hold ourselves to a higher standard. Here, for starters, are eleven of our most powerful and misleading civic fables:

1. Civic Fable – Fossil Fuels Are Safe. With several million jobs in America tied to the nation’s oil, coal, and natural gas industries, it has not been difficult for the fossil fuel industry to pitch a civic fable about the benefits of fossil fuels and the phony worry about global warming. It is imagined that carbon dioxide emissions don’t affect the Earth’s natural cooling system, it is further imagined that they don’t cause inexorable global warming, and beyond that it is imagined that global warming won’t lead to dangerous shifts in climate behavior and humanitarian catastrophe on unprecedented scale. It is a mark of immaturity in our civic culture that this fable has gained such wide currency.

2. Civic Fable – The Global Warming Problem is an Emission Reduction Problem. Among environmentalists and their supporters, a different sort of civic fable has taken root. It is imagined that global warming can be addressed by slowing the rate at which we consume fossil fuels and generate emissions. (We humanity, not just we Americans.) Bills have been offered in Congress that reflect this approach – some call for a fifty percent reduction in CO2 emissions; others call for an eighty percent reduction in CO2 emissions. All the advocacy work speaks to this theme. And yet it is all a fable. Global warming cannot be halted until the total stock of atmospheric CO2 has been capped. The total stock of atmospheric CO2 cannot be capped as long as CO2 emissions from fossil fuels continue. And the consumption of fossil fuels cannot be halted until we have developed and fully implemented a post fossil fuel energy system. If we were a competent nation, we’d have cast aside the “emission reduction” fable twenty years ago and civic realism would have impelled us to pursue the post-fossil fuel energy sector that everyone needs.

3. Civic Fable – Growth is Forever. One of the most deeply rooted elements of our civic culture is the belief that growth is forever. Population growth. Consumption growth. Pollution growth. Landfill growth. Development growth. GDP growth. Stock market growth. Financial growth. These notions are fantasies, but our civic culture has yet to acknowledge the inherent fallacy in an ideology of endless growth. Civic realism would teach us greater wisdom. It would acknowledge the S-Curve nature of industrial growth. It would rename our goal – not endless growth, but “post-growth prosperity.” Civic realism would teach us that humanity can prosper without growth, and that in a post-growth future, humanity can do a much more competent job of respecting Nature’s limits.

4. Civic Fable – Financial Wealth Grows Much More Rapidly Than GDP. One of America’s more significant fables assures the nation’s investor elites that they will always be able to grow America’s financial wealth at compound growth rates far more rapid than GDP growth rates. Perhaps Gross Domestic Product grows at three

percent a year, if we're lucky; financial wealth grows at six percent a year, or seven percent, or even eight. S&P results from the twentieth century supposedly prove this point. This particular civic fable is taken both as a statement of fact and as a powerful entitlement. Because we believe – as an historical fact – the notion that stock market wealth grows at seven percent, we therefore also believe – as an entitlement – that those who invest in stocks are entitled to receive seven percent returns, or more, on their investments. America's tangible economy and its politicians are therefore obliged to deliver seven percent returns to the nation's investor elites. This is an extraordinary fable – extraordinary in its folly, extraordinary in the sense of entitlement it bequeaths.

Civic realism tells a much more sensible story. In the real world, total stock market capitalization over the long run grows at almost the same compound growth rate as GDP. If GDP grows at three percent, total stock market capitalization will average three percent growth as well. If GDP growth slows to two and a half, stock market capitalization will slow. Just as the size of a corporation's balance sheet is always tied by inexorable economic ratios to the size of its income statement, the size of the nation's balance sheet, including its financial wealth, will always be tied to the size of the nation's GDP.

5. Civic Fable – The Banking Sector is Entitled to Accelerated Growth. When the took down the wall between investment banking and commercial banking, it set in motion an explosion of folly. Investment banks imagine themselves capable of making very high returns, and in a sense, they're right. They deal with that narrow slice of the overall economy inhabited by high growth companies. Commercial banks deal with the whole economy, and historically have understood that the growth rate of the economy has much to do with their own growth. Throw the two types of banking together, as America did, at a time when it is imagined that financial returns always vastly exceed GDP growth rates, and it is not surprising that commercial bankers will become infected by the fast growth norms of investment banking. Such a civic fable! Civic realism would counsel greater wisdom. There is one and only one way for the commercial banking sector to grow its business within the US at a rate that exceeds GDP growth – it must steadily increase America's overall indebtedness. More commercial debt, more real estate development debt, more credit card debt, more mortgage debt, more student loan debt, more debt to finance the purchase of stocks, more public debt. And, for the biggest banks, fishing in foreign waters, more sovereign debt. Civic realism knows how unsafe this is. There's a certain level of debt that any nation can safely undertake. Exceed this level and the stability of the nation's economy is jeopardized.

6. Civic Fable – The Financial Sector Doesn't Require Government Regulation. There are those who claim that the nation's financial sector is so wise about risk that it can self-regulate. This has become something of a civic fable for many in the financial sector. Civic realism gives us very different counsel. It knows that product markets are self-regulating because price increases send cost signals that generate dampening feedback. And it knows that asset markets are self-destabilizing because

price increases can send wealth signals that generate amplifying feedback. In a cost signal market, regulatory oversight may be unnecessary. In a wealth signal market, regulatory oversight is essential.

7. Civic Fable – The Labor Market Is Always Fair. Let's turn to the civic fable that rationalizes corrupt behavior in the nation's labor market. It is imagined that every company's salary scale reflects a simple moral principle. Those who generate greater value for the company should receive higher pay; those who generate less value should receive lower pay. It is a sensible moral order, one that we ought not disturb.

Civic realism sees another force at work, one that's omitted from the civic fable. Pay scales for those at the very top are as much a function of power as of value. The power behaviors of the nation's CEOs changed abruptly when marginal tax rates on their incomes were cut from 70% to 50% under Reagan, and then further cut to 28%. Once they had little incentive to raise their own pay, as most of the gain was captured by the IRS. They left money on the table for their employees, and for about thirty five years after the Second World War, Americans at all income levels enjoyed earnings gains that roughly matched the nation's productivity growth rate. As soon as the marginal tax rate environment changed, though, CEO incentives changed and their behavior changed. Now they could afford to give themselves magnificent raises. No longer was it their practice to leave money on the table to be shared with the firm's entire workforce. The growth rate in hourly wages and monthly salaries slowed for middle class Americans; the growth rate in compensation at the very top accelerated.

Civic realism recognizes the impact – roughly a trillion dollars in payroll that once would have gone to Americans in the Lower Nine-Tenths now goes to Americans in the Top Tenth. This result reflects an important power reality. Pay levels for employees reflect talent and value, but pay levels for top executives also reflect power and greed. Once government used its power to discourage abuse of power at the top, and the nation's middle classes prospered accordingly. Then, with Reagan as president, the government changed sides. It abandoned its commitment to fair treatment for the nation's middle class; instead it did all it could to encourage accelerated enrichment for those at the top.

8. Civic Fable – When the Labor Market Isn't Fair, Congress Can Make Up the Difference with Social Insurance. For those not strong enough to demand a return to high marginal tax rates for CEOs, there is a compensating civic fable. Government can heal the wounds created by an economy that beats up on those with few skills. Unemployment insurance can help those out of work. The Earned Income Tax Credit can help those with low incomes. Housing subsidies can help those who don't have enough to pay their rent. Food stamps can help those who lack the money for food. And so on.

Civic realism counsels a different frame of mind. Social insurance has tripled in relative size over the past half century. Once the Federal Government spent a little more than a fifth of its budget on social insurance (and 4% of GDP). It all went to Social Security. Then the Congress added Medicare. And it added one Income Security program after another. Now social insurance represents two-thirds of the federal budget (and 13% of GDP). It crowds out spending on infrastructure modernization and nation-building. That which is caused by corrupt behavior in the labor market cannot be properly alleviated simply by fattening the government's social insurance budget, and then fattening it some more. Civic realism counsels us to go to the heart of the problem. Put government back on the side of the nation's middle class, and put the labor market back as it was before, with CEOs deterred from looting the paychecks of middle class employees so that they can fatten their own beyond measure. Restore the principle that Americans at all wage levels are to benefit fairly from the nation's rising productivity. And ease the pressure on social insurance, so that the federal budget can provide more support for nation-building and infrastructure modernization.

9. Civic Fable – America's Medical Sector Is Properly Compensated for Its Services.

One of America's powerful fables calls on us to give our loyalty to the American way of organizing its medical sector, on the premise that it's the best in the world because it operates with more freedom than medicine does in other nations. This fable further claims that any change would surely be for the worse. Americans would lose the right to choose their own doctors. Waiting times for surgery would become infinitely long. And so on. To the extent that America spends more than it should for medicine, this is to be blamed on patients, for visiting doctors when they don't need to; on lawyers, for making doctors fearful of lawsuits; and on doctors, for ordering unnecessary tests. It is not to be blamed on systemic decisions made at a national level.

Civic realism sees through all this. Every modern nation faces the same situation. Medicine is an essential life-saving service, but no one knows who can get by with modest help and who will require major episodes of expensive care, and as a result, medical insurance is essential. But insurance creates an immunity to prices. Patients don't shop on price because they don't have to. Doctors don't compete on price because they don't have to. Hospitals don't, laboratories don't, and drug companies don't. Everyone shifts costs, first to the insurance companies, and then to the companies that pay for the coverage. It is a structure that favors price acceleration. The medical sector doesn't function as a formal price-fixing cartel, but for all practical purposes, its natural behavior creates much the same result. Truly competitive industries put a ceiling on the prices anyone can charge; there are no natural price ceilings in medicine, and because there aren't, the profit opportunities are extraordinary in all parts of the medical sector. All other modern nations recognize this, and in one way or another, they create regulatory systems that suppress the cartel-like price creep that comes so naturally to medicine. Other nations therefore spend much less on medicine because they prevent the price creep that America has been unwilling to contain.

Here, the elite enrichment goals of the nation's CEO's are as strong in large medical corporations as anywhere. Insurance CEOs expect wealth; pharmaceutical CEOs expect wealth; hospital CEOs expect wealth; medical specialists expect to earn half a million to a million dollars a year; medical technology CEOs expect wealth. A fairly priced medical sector would cut deeply into the lavish salaries of industry CEOs. Our civic fable rationalizes away the fact that America spends a trillion dollars a year more, for its medical services, than it would spend under any other country's way of organizing its medical sector. Civic realism sees through the rationalization and insists that the cartel-like pressures in medicine must finally be reined in, here as elsewhere, so that America can have a more competitive and affordable future.

10. Civic Fable – America Shouldn't Have an Industrial Strategy. There's a powerful civic fable in America that says this nation doesn't need to protect its manufacturing sector from mercantilist rivals and doesn't need to invest in its manufacturing future. As Clyde Prestowitz has observed, Democrats contribute to this fable by arguing for free trade; Republicans contribute to this fable by claiming that government isn't smart enough to pick winners and losers.

Civic realism tells us that America's manufacturing base has paid a dear price for this bipartisan neglect. Empty factories stand empty, vast haunted mausoleums that remind us of an era we seem incapable of perpetuating. SIC measurements of America's nineteen industry sectors show that most of them have lost the ability to grow. An ITIF (Information Technology and Innovation Foundation) study compared America's commitment to its industrial future with the commitments of thirty-nine other nations. These nations were compared on sixteen different metrics. No other nation had an industrial policy as passive as America's. Civic realism tells us that America needs to get back in the game, and warns us that we have many years of neglect to make up for. Civic realism also notes that it is even more difficult to invest properly in America's future when the federal budget is so heavily committed to social insurance.

11. Civic Fable – Gerrymandering Is the American Way. Turn now to politics. One more civic fable rears its head, assuring us that it's perfectly appropriate for red state Republicans to practice gerrymandering and perfectly appropriate for blue state Democrats to do the same. This problem emerged in the early seventies as a result of Supreme Court rulings in the sixties that required all legislative districts within a state to have substantially equal populations and further required all congressional districts to have equal populations. Modern gerrymandering took off in the wake of these rulings, and now it is claimed that America's representatives have a perfect right to choose the voters they want.

Civic realism recognizes this as a deeply corrupting claim. Gerrymandering teaches a contempt for genuine democracy. Gerrymandering muscles aside the national interest and replaces it with partisan self-interest. Civic realism knows that America has paid a severe price for this cynicism. One symptom among many is the loss of

fiscal responsibility within the U.S. Congress. The U.S. Congress from 1947 into the early 1970s acted with great fiscal responsibility, running only modest deficits and bringing down the gross federal debt from 120% of GDP to less than 40% of GDP. But this sense of fiscal responsibility disappeared as modern gerrymandering took over. The fiscal prudence of earlier decades waned during the 1970s and wholly disappeared in the 1980s. Deficits, measured as a percent of GDP, exploded once gerrymandering took hold. Gerrymandered elections have give us Congresses with much less commitment to the national interest. Civic realism knows that the redistricting function in America will never be handled properly by partisan legislatures; it will have to be removed from their hands and placed in the hands of independent commissions that have no partisan ax to grind.

Eleven powerful civic fables. Many more could be added. I haven't addressed the civic fables that rationalize agribusiness and processed food value chain. I haven't commented on urban housing strategies that ghettoize the poor, or on public education fables that rationalize underperformance, or on urban transportation fables that rationalize a cars-only approach to urban life. The list given above could be extended substantially.

What I wish to emphasize here is the central theme. A competent America recognizes the emotional power of civic fables and it also recognizes the misleading counsel they strive to provide. A competent America rejects the idea that major sectors of American life are entitled to operate by corrupt standards simply because they promote powerful fables that rationalize their current misconduct.

With these fables set aside, a competent nation will move forward, redesigning business models, designing compassionate transition strategies, and firming up its capacity to function competently in every major area of its life.

Enterprise Level Integration

In the business world, major companies distinguish between operating unit strategies and enterprise-level strategies. Much the same comparison is appropriate for the United States of America as a whole. We have always had state-level issues and national issues; now with the vast size of so many industries and major companies, America also has business sector issues and enterprise-level issues, if you will.

An enterprise-level perspective examines the interaction among America's various spheres of activity. What affect will competence in one area of life have upon America's ability to function competently in another? What affect will corruption and lack of competence in one area have upon the likelihood of disappointing performance in another?

An enterprise-level reasoning process goes something like this:

If the labor market promotes lower wages and slower growth for the weak, in order to enrich the strong more rapidly, weakened purchasing power in the nation's middle class will slow the overall economy.

When the economy is sluggish, unemployment levels rise and family incomes suffer, especially for Americans in the bottom third of the workforce.

This amplifies the demand for all sorts of federal subsidies. Social insurance spending is likely to rise as a share of the overall federal budget.

The more the nation spends on social insurance, the more difficult it is for the nation to invest in its infrastructure and in its industrial future.

The less committed America is to its industrial future, the more difficult it becomes for the nation's economy to escape from its slump.

In other words, there's a cause-and-effect sequence that unfolds. Weakness in one area amplifies weakness in the next, and the next, and the next. A nation that lacks competence in several major areas won't face an easy enterprise-level future. Too many self-reinforcing downward spirals will be put in play by America's inability to achieve the competence it needs in all its parts.

An America that accepts integrity at scale as its challenge, in all industries and areas of its national life, will find its health improving. Better nutrition, better exercise, better muscle tone, a more optimistic spirit, a better way of life, if you will. Just as disease states become self-reinforcing, states of good health become self-reinforcing. A properly restrained banking sector strengthens the nation. A properly restrained medical sector also strengthens the nation. A properly functioning labor market strengthens the nation. In a stronger nation, the pressure for social insurance spending declines, just a bit, and the government's ability to invest in the future improves. A proper approach to redrawing legislative boundaries after each census will give the nation more competent elected officials, who in turn will help the nation adopt public policies that reflect the wisdom America needs. A spirit of integrity in politics reinforces integrity within the commercial sectors of America, just as a spirit of integrity in our commercial sectors will reinforce our commitment to integrity in our civic life.

Just as corruption is catching, a spirited commitment to integrity can be catching as well.

Enterprise-level thinking won't be easy, but it will awaken us to the likelihood that failure in one area cannot be isolated – it leads to failure in other areas as well. And it will awaken us to the parallel likelihood that competence in one area will generate spillover benefits for other areas as well. Shall we be an America of self-reinforcing

mediocrity spirals? Or shall we be an America of self-reinforcing competence spirals?

Weaving These Themes Together

Suppose America chooses not to embrace these three areas of responsibility. Suppose America rejects holistic citizenship. Suppose America also rejects the notion that any of its major industries require beneficial redesign. And suppose America pays little or no attention to enterprise level thinking, ignoring as it does so the risk of creating mutually reinforcing mediocrity spirals.

What are the chances that such an America will travel through the twenty-first century as a truly competent nation? Not very good, are they? Suppose our labor market continues to enrich the strong beyond measure, allowing them to take endless advantage of the weak. Suppose America ignores its crumbling infrastructure and its opportunities to invest seed-fund research in the future. Suppose America continues to tolerate a medical sector that soaks up a trillion dollars more in fees than it deserves. Suppose America's financial sector continues its pattern of unregulated high risk adventurism. Suppose America commits itself to fossil fuels, irreversible global warming, and a future of dangerous climate change. Suppose America ignores the larger responsibilities of sustainability and preserving the natural environment for generations to come. Suppose America continues to reward politicians who believe they're entitled to choose the voters they want with endless gerrymandering.

Will this be an America on the rise, or an America in steep decline?

It all comes down to the question of patriotism. Are we to be small hat patriots, defending our special interests while ignoring the national interest? Are we to be large hat patriots, defending the national interest even when that means we must modify our special interest claims? If America is to be a nation in which two thousand special interests are free to undermine the national interest, Small Hat Patriotism will have won. But America will be the loser. Who really wants to live in an America in which two thousand separate special interests collude in undermining the national interest? That's a poor excuse for patriotism.

Certain facts are inescapable. From here forward, we and our descendants will live in an America of vast institutions, vast behaviors, vast consequences. Design choices that foster corruption will always cause damage, sometimes at vast scale. If we choose integrity at scale as our standard, we can help America become a competent nation. We can take design seriously, we can get it right, we can achieve the competence we desire, and we can give America a bright future.

But if we don't take integrity at scale as our standard, we will sink into our default mode, a nation entangled in the tentacles of corruption, one corrupt design choice feeding on another.

These two options will be with us always. Manage vast institutions wisely and competently and thrive as a nation. Manage vast institutions corruptly and carelessly and decline as a nation.

Some of us will bring competent ideas to the table from the right, some will bring competent ideas from the center, and some will bring competent ideas from the left. What matters is not the source of the idea; what matters is its ability to fulfill the promise of integrity at scale.

It's up to us, all of us, the American people. Choose a civic culture dedicated to integrity and civic realism, choose a civic culture that affirms our responsibilities, and there is no limit to the successes we can achieve. Choose a civic culture that rationalizes corruption and small hat patriotism and there is no limit to the trouble we can get ourselves into.

Which will it be?

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