

The Fourth Revolution: The Global Race to Reinvent the State

John Micklethwait , Adrian Wooldridge

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From the bestselling authors of *The Right Nation*, a visionary argument that our current crisis in government is nothing less than the fourth radical transition in the history of the nation-state

Dysfunctional government: It's become a cliché, and most of us are resigned to the fact that nothing is ever going to change. As John Micklethwait and Adrian Wooldridge show us, that is a seriously limited view of things. In fact, there have been three great revolutions in government in the history of the modern world. The West has led these revolutions, but now we are in the midst of a fourth revolution, and it is Western government that is in danger of being left behind.

Now, things really are different. The West's debt load is unsustainable. The developing world has harvested the low-hanging fruits. Industrialization has transformed all the peasant economies it had left to transform, and the toxic side effects of rapid developing world growth are adding to the bill. From Washington to Detroit, from Brasilia to New Delhi, there is a dual crisis of political legitimacy and political effectiveness.

The Fourth Revolution crystallizes the scope of the crisis and points forward to our future. The authors enjoy extraordinary access to influential figures and forces the world over, and the book is a global tour of the innovators in how power is to be wielded. The age of big government is over; the age of smart government has begun. Many of the ideas the authors discuss seem outlandish now, but the center of gravity is moving quickly.

This tour drives home a powerful argument: that countries' success depends overwhelmingly on their ability to reinvent the state. And that much of the West—and particularly the United States—is failing badly in its task. China is making rapid progress with government reform at the same time as America is falling badly behind. Washington is gridlocked, and America is in danger of squandering its huge advantages from its powerful economy because of failing government. And flailing democracies like India look enviously at China's state-of-the-art airports and expanding universities.

The race to get government right is not just a race of efficiency. It is a race to see which political values will triumph in the twenty-first century—the liberal values of democracy and liberty or the authoritarian values of command and control. The stakes could not be higher.

The Fourth Revolution: The Global Race to Reinvent the State Details

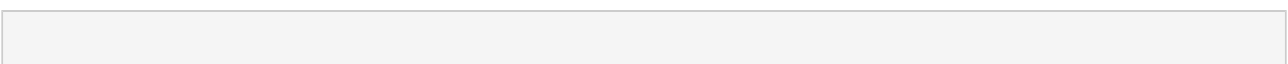
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From Reader Review **The Fourth Revolution: The Global Race to Reinvent the State** for online ebook

Kirk Houghton says

Discussions on the efficiency of the state in the Anglo-Saxon world are known for their one-dimensional viewpoints. The Left excoriate the Neo-Liberal parties that want to trim Leviathan and subordinate it to the private sector; the Right decry the tendencies of the Social Democrats that want to fix every solution with more government spending. You will not find any political party in Britain that want to discuss how to make government better and more responsive; it's either a necessary evil or a vehicle for social engineering and re-distribution. In America the debate is even more intransigent depending on what side you're on.

In this study John Micklethwait and Adrian Wooldridge are determined to show how the West has been leading the world on how to govern since Thomas Hobbes' seventeenth-century masterpiece, Leviathan, right through to John Stuart Mill's 'night watchman' government and Beatrice Webb's crusade for the Welfare State in the early 1900s. Rather than play catch-up to the engines of science, industrialisation and mass consumption, efficient government in the western world is actually a story of innovation, (modest) meritocracy and adaptability. But now, for the first time, the developing world is looking to tiny Singapore, the best run country on the planet, for inspiration. With the devastating failure of free-market capitalism in the 2008/09 global credit crunch, China is now more enamoured with Lee Kwan Yew's authoritarianism and small-government efficiency rather than the west's bloated 'all you can eat' welfare state that is facing a monumental crisis of funding by 2050. As the authors point out: 'The main political challenge of the next decade will be fixing government.' (p.5)

The main contention is that the modern Western state is run like General Motors in the age of Google. State bureaucracies still believe in doing everything in-house; decision-making is too centralised; administration is paralysed by the idea it should be as uniform as possible; and there is a persistent fear of change. These are not new criticisms, indeed using words like 'Revolution' in the title of this book might disappoint some readers. Strip it down to its core elements and you will realise that these are standard complaints known to most people who've worked in or had dealings with the public sector.

However, the authors are on better ground when discussing one of the taboos of our age: could mass democracy be part of the problem? Nobody wants to abolish the cherished freedoms that come with democracy, but the general election cycle produces the worst kind of contest between political parties hoping to please competing factions of lobbyists and interest groups. An ever-increasing expansion of the state follows and leads to ruinous expectations about what governments can achieve. Yet one look at Europe's aging populations and higher life expectancy levels makes it clear that future administrations will have to do more with less. And more borrowing is not the answer, with the authors reminding us that 'By March 2012 there were some \$43 trillion of government bonds in issue, compared with only \$11 trillion at the end of 2001.' (p.14) No wonder the developing nations are looking outside the West for new ideas on how to modernise and accommodate their growing middle classes. (NB: Entitlements benefit the middle class more than the poor in America and Europe – complete anathema in Singapore, where state funds are targeted at those that need them).

The future revolution, it seems, is already happening in Sweden, and this is where the authors want western governments to turn their attention. This means education vouchers for parents to send their children to the best-performing schools, perhaps the next logical step in Britain where the Academy system allows parents to set up their own schools. Swedish Health Care is even more innovative and entails paying private-sector companies to run a proportion of hospitals for profit, their results published in a central registry so patients can identify the best ones to use. And why not ask all users to pay a nominal fee for each visit so nobody abuses the system? These are all good suggestions and are clearly working in the Nordic countries where budget deficits and public debt levels are way below Britain, France and the US; but these are hardly new

ideas. Tony Blair embraced some of these policies in his second term in office from 2001, and one read of *The Economist*, will remind you that these proposals have been around for the last 20 years. Is this really a revolution?

Perhaps the real revolution is occurring in the opportunities we have to harness technology in the information age. The authors are keen to stress this is the main area where government needs to adapt: 'The current centralised state has been shaped by the idea that information is in short supply: It derives its power from the fact that it knows lots of things ordinary people do not. But information is now one of the world's most abundant resources...' (p.210)

Numerous contemporary studies explore 'The New Digital Age' and 'The Networked State' and it's clear the state can use information better, to do more with less, while giving citizens greater power to hold their elected representatives to account. Everything from Fixmystreet.com to San Francisco's SFPark app are also giving citizens that chance to use technology rather than rely on government departments to solve daily problems. In fact, the future of innovation is now being spurred on by the state as well as the market: Washington DC Mayor, Vincent Grey, was delighted when his call for 'new apps for democracy' produced more than 47 apps in thirty days. Imagine if Sir Robert Peel's government of 1840s Britain had called for more technological innovations in the textile industry, in an era when inventors didn't even need state inducements to drive improvements.

Ultimately, those expecting this book to be a seminal manifesto on how to fix the state and shift the debate to what government is for will enjoy reading *The Fourth Revolution*, even if it doesn't quite live up to its title. The research is impeccable ('In America almost half the people in the richest 1 percent are medical specialists,'), the surveys of Hobbes and J.S. Mill are succinct in their intellectual appraisals, and each chapter bursts with ideas. Yet those ideas themselves are not exactly new, and the result is this book feels more like a copy-and-paste manifesto from their favourite authors rather than a pioneering study.

Nonetheless, the future is blond – the future is Sweden, if we are to take the authors' advice. Yet we will need a major shift in political discourse in Britain and America if this is to happen. Will the Scottish National Party ever countenance a National Health Service where users pay a nominal fee to stop the system being abused? Can you imagine America's powerful teaching unions putting education standards before solidarity with the weakest-performing teachers? What kind of strikes would we see in France if a government copied Sweden and hiked up the retirement age and indexed it to future life-expectancy levels?

If nothing, else Micklethwait and Wooldridge give us a glimpse of the political issues that we will have to face over the next thirty years. Our aging populations, national debts and expectations of more entitlements will, once again, lead us to ask, "What is the state for?"

Perhaps a consensus on this question will be the fourth revolution.

Michael says

In their sixth collaboration, English journalists and veterans of *The Economist* John Micklethwait and Adrian Wooldridge deliver a tightly focused, eminently readable prospectus for government. Part I traces the philosophical evolution of Anglo-American liberal democracy – from Hobbes to Milton Friedman – with a narrative verve that teachers of history would do well to emulate. Part II contrasts bloated, hyper-democratic, governance California-style with Lee Kuan Yew's lean Singapore; taxpayers save, and trains run on time under benevolent dictators. Part III lays out one plausible future: a tech-driven variation on the Clinton-Blair middle way. Its giddy in its optimism, given a world order in 2017 in which Christendom regresses into inward looking nationalism; Islam's discontents yearn for the medieval; and Communist China seems like the last hope for a humanity as yet unable to resolve its anguish at what modernity has wrought. Read this book with *The Great Divide* (Stiglitz on inequality) and Naomi Klein's *This Changes Everything* for a more

balanced sense of the social and ecological challenges facing the nation state; something that economic analysis of the political inevitably externalizes.

Shaun Campbell says

A decent read but heavily skewed with opinion.

Nicholas says

This is a decent book with many flaws. In relying on examples and anecdotes to illustrate their various points, several are used in misleading ways. In particular, the authors give too little credit to bureaucrats genuinely interested in serving the public who tackle legitimate social problems, even if they do so badly, and too much credit to ability of private markets to run efficiently. While obvious examples of state excess are pounced upon, such as California's government, high-profile examples of market failure in the the privatization of public services are overlooked. Notably, private colleges in the United States defrauded hundreds of thousands of students while private prisons lobby the government to enact harsh sentencing laws that make a mockery of rehabilitation and justice.

The redeeming quality of this book is that it will not appeal, in the US at least, to Republicans or Democrats driven by ideology, but points out the flaws of both extremes. Most Republicans would scoff at the notion of single payer healthcare in the US while many Democrats would find that criticism of the welfare state is too forgiving of the ability of the private sector to solve social problems.

Ultimately, The Fourth Revolution fails to live up to its full potential while coming to a relatively simple conclusion that the US, among other states, needs to experiment more with governance.

Glen says

I won this in a goodreads firstreads drawing.

This is a thinkpiece of a book, considering the history, the present status, and the future of the state.

The history section is a pretty interesting overview, although they missed Harry Kessler's idea of the Aesthetic state. They also go out of their way to bash the Tea Party movement, which I found unnecessary.

The section on the present state is pretty hit and miss. They actually seem to believe that Jerry Brown saved California, and that Rahm Emanuel somehow saved Chicago. I guess they haven't seen the articles about the Chicago's huge murder rate, or the secession movements afoot in California. The sections on Singapore, China, and the Nordic countries are interesting, but the reliability of the author comes into some doubt. If they miss California and Chicago, are their sections on the rest accurate?

Their recommendations of the future, are not very original. Better technology, cut down on cronyism, more bipartisanship, all the usual stuff.

On the whole, the book doesn't quite hit the mark, but does contain some insights.

Jim says

This is an important book - especially in this time of dysfunction in Washington and extreme polarization between the two major parties in the United States. The contentions/conclusions of the authors are in essence: 1) government in the democratic states of Europe and the United States have become too bloated by overcommitting themselves to providing their citizens to so-called entitlements - social security, health care, welfare, etc.; 2) the result are countries whose budgets are out of control and unsustainable overtime; 3) democracy as we know it has become dominated by special interests, by crony capitalism and by politicians with short-sighted goals (of re-election) instead of long-term goals of seeing to the health of the nation's economy and government.

The authors see three and a half revolutions in the development of the nation state as having occurred and see the need for a fourth revolution that will revamp the systems we have now.

The First Revolution was described by Thomas Hobbes, who believed that there is a social contract between ruler and the ruled and that the first duty of the state is to provide law and order - to provide safety for its citizens. The state also serves to keep in check the natural competition of man to get ahead of his fellow man. The people give up certain rights in order for the state to keep them safe. The state is made for the individuals, not vice versa. The state provides two kinds of assistance: laws to smooth business transactions and a minimal welfare state to care for society's casualties.

The Second Revolution was demonstrated by John Stuart Mill, who said that the state's overall concern was not how to bring order out of chaos (as when it provided safety to its citizens), but how to ensure that the citizens could develop their abilities to the maximum and thereby achieve happiness. Mill's focus was on removing barriers to fulfillment. This called for a larger state than that envisaged by Hobbes. As Mill advanced in age, he endorsed a wider franchise among citizens and more intervention by the state to tame the excesses of unconstrained capitalism (child labor, etc.)

The Third Revolution is represented by the ideas of Beatrice Webb, who endorsed the idea of the welfare state. In her view, the state should provide an "enforced minimum for a civilized life." The State therefore becomes an ever-increasing administrative machine providing a national minimum of welfare and education: Free school lunches, pensions for the elderly, a budget against poverty, national insurance for the sick and the unemployed.

The Third and a Half Revolution was promoted by Milton Friedman (and partially enacted by Margaret Thatcher and Ronald Reagan). Friedman believed in the pruning of government and rejected the idea that the state knows best for people. He believed that big government had overextended itself and that it was spending a lot of money with much of it is wasted. The problem of government is inefficiency as well as bloat. Ever-bigger govt means ever greater social dysfunction.

The authors adopt a version of Friedman's view of government while arguing that government is indeed responsible for protecting its citizens and giving them equal opportunities. Where they see government as having gone wrong is that it has gone overboard in trying to meet these obligations: it provides financial

assistance to high earning companies that don't really need that assistance; they provide social security and health insurance to all, without any reference to a person's income or financial situation. They believe that there is reason for hope despite the political polarization and dysfunctionality in Washington, London, etc. Governments face fiscal crises and cannot continue as they are. They offer several "solutions:" 1). Allow private companies to take on more functions now performed by governments: running airports, Amtrak, education; 2) let local governments take on more responsibilities; 3) reduce crony capitalism by dismantling the government handouts to the rich and powerful (subsidies for industries - e.g., farm subsidies, tax advantages designed to benefit the highest earners; 4) reduce entitlements while preserving the social contract that is at the heart of the welfare state; and 5) make use of technology and the information surfeit to reform government - making it more efficient, more cost conscious and less bloated.

Jonathon Martin says

This book came across to me as uneven. It is a book about the challenges the state faces in the 21st Century and its history and discussions of concrete problems and possible solutions are engaging. I learnt something on nearly every page. Where I found it lacking was in the periodical interjection of ideology.

It is not an ideological book in many respects. Most people, whatever their priors, are able to see that the state has grown and that it is inefficient in many respects. And most people should be open to better ways of doing things. The authors here, though, betray an ideological commitment to "less state" rather than "more efficient state". They imply that the minimal size of the state is an end in itself, trying to tie the size of the state to a notion of freedom and efficiency. But this sidesteps the big question, which is what our society is about and what our lives are about. If your answer is to live good, long, happy, healthy, meaningful lives, then rolling back the state and failing to replace it with something else might give you a smaller state and more efficient government, but so what if people's lives don't improve? That the state is inefficient in some areas is not a surprise but to say "take it away except for healthcare" does not solve a problem it just passes it along.

I could also nit-pick with a lack of understanding or nuance in some areas. They argue that those countries at the top of the PISA rankings, such as Finland and several Asian nations, all do a lot of standardised testing. Finland's educational system is a million miles away from that of Shanghai and South Korea. Kids in Finland start school later, have shorter days and no standardised testing. The Asian model is almost the opposite of this. The author also lauds the Swedish education model of free schools but fails to mention that Sweden is below average in the PISA rankings. It also fails to explain why Swedish free schools improve performance in the regular schools but not their own.

So overall I don't know what to think. On the one hand I agree with a lot of the prescriptions. Most of the suggestions for making the state work better are very sensible. The general theme of the book is that privatising most services is better so long as you do it right. But the political philosophy is very one-sided and actually there is no need for ideology in a book like this at all. Most people do not worry about "freedom" or "equality" as such. They worry about having food, shelter, good schools, meaningful work, a safe and clean environment, a levelish playing field, hope for the future and so on. Give them these and they will not complain much about the size of the state nor even about inequality. I don't mind them arguing that we could have these things with a smaller state but that argument has to be made. It is not enough to simply assert that smaller is better because a society in which people do not have these things is just as unsustainable as a bloated state.

Jonathan Jeckell says

A look at the contemporary political environment and the evolution of Western nation states through three major stages of development. While well written, it is written to persuade the reader as well as inform. The whole book reads like an article from “The Economist,” both in style and editorial slant (mostly for the better) because both authors are on the senior editorial staff there. Throughout the 90s democracy looked triumphant and inevitable, but today, semi-authoritarian models are re-emerging to challenge this. Some developing nations are turning away from the US and the West as examples and looking instead to Singapore and China. Recent financial crises and political gridlock are just a part of the problems faced by the US and other democracies. People in the US and other Western countries fret about competition from China and these other countries, leading some influential people to consider it as a viable alternative. How soon we forget the other times authoritarian figures offered greater efficiency and making the trains run on time.

But some democracies have made promising, innovative reforms that solved many of these problems, which the author refers to as the “fourth revolution.” From the author’s description of these revolutions, however, it looks less like a revolution in itself and more of getting back to basics of the previous revolutions he cites when Victorian reformers took on “old corruption” to build the modern democracy (the US had the benefit of starting more or less from scratch).

Claire Cassar says

The book is conceptually challenging and a bit academic and slow at first but very thought provoking. Pity its written a few years back. Would be great to have an update with the most recent events globally included such as Brexit actually being underway, Trump as President and so on.

Dario Andrade says

Os dois autores foram editores de “The economist”, a conhecida revista liberal inglesa. Deles já havia lido “A companhia”, também editado no Brasil e que é uma interessante – apesar de um tanto introdutória – história da empresa comercial dos últimos 5 séculos.

Neste “A quarta revolução” eles centram a atenção no Estado e para tanto partem da assunção de que até agora, ou pelo menos nos últimos 4 séculos haveria alguns tipos de Estado, sendo que cada um predominou durante algumas décadas ou séculos. Para eles seriam 3 Estados e meio, sendo que as demandas atuais indicariam que se estaria rumo a um 4º Estado.

O primeiro Estado – do século XVII – foi o Estado nacional, que em sua origem remonta a Thomas Hobbes. O segundo Estado foi resultado das reformas liberais do século XIX que substituem o velho sistema de patronagem monárquico por governos mais meritocráticos e responsáveis. A figura fundadora desse Estado teria sido John Stuart Mill.

O terceiro Estado nasceu – nos primeiros anos do século XX – a partir das preocupações sociais do casal Sidney e Beatrice Webb – ela mais do que ele, na verdade – que são os responsáveis pela ideia que cabe ao Estado também melhorar a vida das pessoas. É o Estado do bem-estar social.

O terceiro Estado e meio é o que quase nasceu durante os anos Thatcher e Ronald Reagan, inspirados por

Milton Friedman, partiram rumo à redução do tamanho – e dos gastos – do Estado, bem como advogaram a privatização – feito mais por ela do que por ele – de várias empresas do setor produtivo que pertenciam ao Estado.

Essa última revolução, para os autores, foi uma meia revolução porque no final das contas não impediu o inchaço do Estado no ocidente. Esse inchaço estatal, somado à desconfiança com a democracia resultou na suspeição do Estado – e da democracia – tanto nos países mais desenvolvidos, quanto nos menos.

Assim, agora é hora de mudar porque o Ocidente, na avaliação deles, está prestes a quebrar: “A prática da democracia no Ocidente, todavia, afasta-se cada vez mais do ideal, com o Congresso americano contaminado pelo poder financeiro e pelo sectarismo enquanto os parlamentos europeus se encontram à deriva e a maior parte da população fica descontente. A triste verdade é que a democracia ocidental encontra-se esfarrapada e em frangalhos. Grupos de lobistas (muitos deles políticos e funcionários públicos) se revelaram extremamente eficazes em apossar-se do governo”.

Ao mesmo tempo, há uma ‘alternativa asiática’ na mesa, uma que questiona dois importantes valores do Ocidente: o sufrágio universal e a generosidade de cima para baixo.

Cingapura seria o arquétipo desse modelo: autoritário, poucas liberdades públicas, meritocrático, aberto para o mercado, preocupado com a eficiência e eficácia das instituições públicas. A China seria inspirada – em termos de ação política por Cingapura.

O livro em linhas gerais é bem instrutivo no que diz respeito ao passado – essas três revoluções e meia – e ao presente – a situação do Estado ocidental e a alternativa asiática. No entanto, quando olha para o futuro, é um tanto quanto problemático. Há meras pistas – e eles evidentemente não são adivinhos – sobre o que será esse novo Estado. Em termos de ideias haveria dois grandes nortes: o primeiro seria a reanimação do espírito de liberdade, atribuindo mais ênfase aos direitos individuais que aos direitos sociais. O segundo é a reanimação do espírito da democracia, atenuando os encargos do Estado.

Além disso, essa quarta revolução, segundo eles, obrigará os Estados ocidentais a repensarem o Estado de bem-estar social e a democracia.

Enfim, essa última parte, sobre o futuro, é o calcanhar de Aquiles do livro. A despeito disso, uma obra que traz algumas reflexões interessantes sobre o Estado e o desafios que enfrenta.

Andrew Carr says

There are three books contained within this text. Two work, one doesn't, which leaves the overall manuscript feeling somewhat less than the sum of its parts.

The first is a highly readable account of the development of the modern Western state. In around 100 pages, the authors provide an engaging tale of reform and philosophical battle to change the purpose and nature of the state. This is a highly readable and engaging tale, as befitting the authors background as editor/writer at The Economist magazine. Most citizens would benefit from reading this section, either as an introduction or refresher.

The second part however breaks down, and here so did my attention. The 'fourth revolution' of the title is based upon applying the power of technology and non-western thinking about the state to the west. Unfortunately neither topic has been researched in the depth required, nor is quite the right language found to bring coherence to the concept either. As such it's often hard to tell what separates the 'fourth' revolution from the 'half-revolution' of Thatcher-Reagan the authors applaud (but don't critically engage with sufficiently). As such the book's claim to present a new way to think about the state, equal to those

revolutions before it falls far short. It is also far too reliant on occasional and out of context anecdotes to provide any kind of a cohesive message.

The final part is a solid, if well worn argument for the Western state to slim down to regain its strength. This is a liberal, not libertarian argument, and much of the advice is likely to find wide support. This part would have been much stronger had the middle section been outstanding. Almost as if acknowledging they have come short, the final section seems to leave behind most of the fourth revolution theme and return to some solid if common ideas for restoring the strength and popularity of the state through trying to get it under more control.

This is a work I'd encourage my friends on the left to read. They may disagree with some of it, but I suspect, especially those in Australia will find much to like. If for no other reason it makes clear that the problem is often 'bad government' rather than any abstract debate about size. There are some things government can do very well, and some things it does poorly. There will be a good advantage for the left in both policy and rhetoric if this recognition of the need to make government work can be placed front and centre. It will both give a coherence and power to many long standing progressive themes, insulate them from some of the criticisms, and enable the left to get away from a -losing- conservative defence of the status quo, and push towards radical rethinking of how the state guarantees justice and equality (such as a basic wage idea). Finally for Australians it's also useful to see just how many ideas which are common on the left (such as means testing) are still so controversial and strange in the US or Europe.

This highlights another useful contribution of this book. This book helps demolish the myth that the US is the land of small government. It is not. America is a land with a large and highly intrusive, yet often badly functioning government. Too many Australians assume the poverty and deprivation of the US is a result of too little government. In some cases it is, but more often it is a result of bad government. Abandoning this simplistic view enables a much better understanding of why the Republicans and general American public have such a poor view of government. Ideally demolishing this idea that 'the US = small govt' will also help reduce the mistaken and banal criticism that any change or reduction in the role of government in Australia will produce US style outcomes. Other than conservatives who think the status quo is fine, anyone interested in improving the way the state works in Australia should abandon this lazy thinking about the USA.

In the end however, this book falls somewhat short. It promises more than it can deliver, though we should not be too harsh given the high ambition it had. While the prose is excellent it can also feel a little too polished and superficial as well given the importance and difficulty of its themes. Not bad, but not as good as it could or should be. Ideal airplane book really.

Graeme Roberts says

The American political system is so dysfunctional that I have been looking for books about fixing it. *The Fourth Revolution: The Global Race to Reinvent the State* is a great tonic for Trumpian depression. The four parts of the book correspond with the revolutions mentioned in the title, starting with the nation state, moving to the liberal state, then the welfare state, and finally the revolution of global innovation, in which Chinese-oriented Asia with state-directed capitalism and authoritarian modernization is driving unprecedented progress. The authors make the point that a country's success depends on its ability to reinvent the state. In that regard, Washington is failing and falling behind China, the Nordic countries, New Zealand and Australia, and even Brazil with its conditional cash transfer welfare system.

The book is well-written and very readable, although it is now slightly out of date (it was published in 2014).

Ondrej Kokes says

Authors openly admit what their ideologies are, specifically liberals, but not libertarians. That alone hinted at a possible lack of bias in throughout the book and that has largely been delivered. We get a nice overview of laissez-faire tendencies as well as the rise of the welfare state without any simplified criticisms.

The book reads very well, the description of history is well structured and links to a lot of primary sources. As we get closer to the 21st century, I get more excited as to what grounding the authors have for the argument that the rise of limited states is inevitable. But that never comes. The end of the book is a bizarre mish mash of ass derived policy recommendations that are inconsistent throughout the book.

We never get to find out why the welfare state has failed or what tendencies will make it a thing of the past. There is a lot of "should", "have to", "ideally" etc., but little is grounded in data and well supported arguments. There's surprisingly little evidence in the book. Authors mention numbers from time to time, for a country or two, but not much more.

I really wanted to like this book and I really did love the first bit, the historical description. But once the authors get to the policy recommendations and predictions about the future, I just wanted the book to end, because I learned nothing from those. Too bad.

Paul Froehlich says

Liberals and conservatives will each find some things to like and to dislike in this fascinating book. Conservatives will, for example, like to read about the widespread and successful use of education vouchers in Sweden, the call for more emphasis on individual rights, and for a slimmer state offering fewer benefits.

Liberals will like to hear how Sweden has transformed the welfare state over the last two decades, making the wide safety net compatible with strong economic growth, government efficiency and fiscal responsibility.

The authors, John Micklethwait and Adrian Wooldridge, write for the Economist, a conservative-leaning publication. They recognize their bias for a smaller state, though they are not libertarians who see government as inherently evil. Their thesis is that the state is about to change and that will change the world.

For 500 years, they write, the West has been the font of new ideas about government, and has been through three and a half great revolutions.

* The first was in the 17th century when Europe's princes build centralized states that began to pull ahead of the rest of the world.

* The second took place in the late 18th and 19th centuries, beginning with the American and French revolutions, and eventually spread across Europe, as regal patronage systems were replaced with more meritocratic and accountable government.

* Third was the invention of the modern welfare state. The Reagan-Thatcher interregnum ultimately failed to reverse the size of the state.

The authors greatly admire Singapore and Sweden -- the former for its efficient, low-cost, honest government where meritocracy rules, and the latter for demonstrating how to make a public health care system that “is now arguably the most efficient in the rich world.”

The most talented Singaporeans are identified, given training, recruited for government and paid well. Singapore’s government consumes a smaller share of GDP than Western states. Its world class education system consumes only 3.3 percent of GDP. To be a teacher, a student must be in the top third of his class, as in South Korea and Finland. China’s leadership also admires what Singapore has accomplished.

Micklethwait and Wooldridge recognize there is no political freedom in the island nation, though they see advantages in being able to adopt policies that would not be tolerated in a democracy where government is accountable to the people. What they leave out is that Singapore is an oligarchy with a wealth concentration at the top six times greater than in the USA, which has greater economic inequality than any the rich democracies.

Conservatives who haven’t recently updated their knowledge about Sweden will be surprised by the authors’ enthusiasm for the Nordic nations. It’s not Olaf Palme’s bloated socialism any more:

- Public spending as a share of GDP dropped in Sweden from a high of 67 percent in 1993 to the current 49 percent.
- The top marginal tax rate was reduced by 27 points to 57 percent.
- Public debt fell from 70 percent of GDP in 1993 to 37 percent in 2010 and from an 11 percent deficit to a small surplus.
- All four Nordic countries have AAA credit ratings and debt loads well below the Eurozone average.
- The Nordic states have the world’s highest rates of social mobility, and top the lists of competitiveness and well-being, such as living longer than most in the developed world.
- “The new Swedish system is a highly successful update of...a socialist country (that) uses capitalist methods of competition to ensure that public goods are delivered as successfully as possible.”

While touting the benefits of Swedish vouchers, the authors leave out the fact that Finnish students have the highest test scores in Europe and virtually all Finns attend public schools with unionized teachers and where the top priority is to boost students who might be left behind.

“Rather than extending the state into the market, the Nordics are extending the market into the state...The Nordic countries provide strong evidence that it is possible to contain government while improving its performance...Both Sweden and Singapore demonstrate something beyond doubt: Government can be made slimmer and better.”

The authors see better government as part of an inexorable process. Control is giving way to pluralism, uniformity to diversity, centralization to localism, opacity to transparency, and resistance to change to experimentation. They recognize, however, that private delivery of public services is no guarantee of good quality or economy; “some of the worst abuses by American forces in Iraq were by private-security firms.” Vigilant supervision of contractors is indispensable.

Micklethwait and Wooldridge recommend the state downsize in three ways:

- 1) Sell or privatize things the state need not own. “Privatization is the American Right’s great blind spot.”
- 2) Cut subsidies that flow to the rich and well connected. Dismantling the welfare state for the rich and powerful should be, but isn’t, at the top of progressive America’s agenda.
- 3) Reform the explosion of entitlements, which is “the biggest problem that governments face.”

Their reform proposals have something for everyone to like or dislike:

- They prefer a single-payer system for health care as more cost effective and more transparent than the “muddle” of Obamacare.
- They would target entitlements to people who need them, instead of dishing out universal perks.
- The proportion of the US working-age population on Social Security disability has jumped from 1.7 percent in 1970 to 5.4 percent; they would follow Denmark in granting disability only if injuries permanently prevent people from working even with flexible work options.

They question whether democracy is up to the task of trimming the state. They propose ways to revitalize democracy so it will be capable of making hard choices. One is to reduce the filibuster in the Senate, which in modern times is used routinely to delay or prevent decisions, creating a “vetocracy.” A second is to end gerrymandering, which entrenches extremism. Third is to curb the growing role of money in politics, which creates the impression “that American democracy is for sale...that the rich have more power than the poor...Teddy Roosevelt would be horrified by the influence of money and special interests.”

Though the Fourth Revolution will be hard, “the West has been the world’s most creative region because it has repeatedly reinvented the state. We have every confidence that it can do so again.”

Micklethwait and Wooldridge obviously pull insights and solutions from both sides of the political spectrum, from Singapore and Sweden. Nevertheless, Conservatives may be surprised to learn a few facts from the book:

- Bill Clinton moved his party to the right and largely operated within the Reagan consensus.
- George W. Bush’s “compassionate conservatism” was a license for bloated government and a spending “splurge.”
- “Tax codes almost everywhere are riven with subsidies, exemptions, and complications that favor the rich.”
- “If you put spending and taxes together, including all the deductions, the government lavishes more dollars overall on the top fifth of the income distribution than the bottom fifth.”
- “Governments are very different entities from private companies – and citizens are very different creatures from customers.” The notion that government should be run like a business reveals a misunderstanding about the nature of government.
- “America’s semiprivate insurance system involves far more form filing than Europe’s nationalized ones...Europe’s single-payer systems are clearly more efficient than America’s jumble of private insurance systems, as well as fairer.”
- “The Right can be just as guilty” as the Left in overfeeding Leviathan. The growth of the security state since 9/11, for example, has dramatically shifted the balance between liberty and security “in a way that may

not have advanced security but has certainly diminished liberty.”

This book leads the reader to recognize that no rigid political ideology has all the answers to our problems. That what works comes from the best ideas of left and the right. ###

Adrian says

A scholarly, yet highly readable study of Statecraft

As a reader of The Economist, I approached this book with high expectations, and was not disappointed. The Fourth Revolution reads like the culmination of years of examination of the failures (along with rare successes) of welfare and governmental reform.

The book begins largely as a philosophical examination of the early theorists of the state, mostly Thomas Hobbes and John Stuart Mill, and proceeds with a history of both the development of the modern welfare state and the comparative state models worldwide, notably China, USA, Scandinavia and France.

The book offers a conclusion that the current model of the state is unsustainable, and offer policy prescriptions, such as sunset clauses in legislation, and making government more representative of the people.

Readers of different political persuasions may not initially like the books viewpoints, nor recommendations, but even in disagreement, the staunchest critics will be unable to deny the well researched and informed nature of this book.

However, a key strength of The Fourth Revolution is it's readability. Therefore, one has the best of both worlds, a scholarly, yet highly readable book.
