

Resenha

The fourth revolution¹

Reinaldo Alencar Domingues*

John Micklethwait and Adrian Wooldridge are categorical: Democracy is at crisis. Governments are overloaded and bloated. The average share of government spending in thirteen rich countries has climbed from 10% at the beginning of the XX century to around 47% nowadays. People have unreal expectations and contradictory demands. To win elections, politicians act irresponsibly by making false promises or by offering more benefits. The vicious circle is quite clear. The more responsibilities the state assumes, the worse it performs and the angrier people get. And they react with even more demands. The same mechanism that allows democracy to function is leading it to a collapse. By listening to the general public and trying to cope with their expectation of what should be done, politicians are increasing spending, overstretching regulations and turning opposition ever more radical in the process. The combination of state's inefficiency, political paralysis and people's dissatisfaction feeds disbelief. For a political system that bases its legitimacy in representation and trust, that's a very bad sign.

According to the authors, the Western world is living an apparent paradox. The state is on a mission to give people evermore of what they want. Yet, no one seems happier. America has gotten into a fiscal mess. The debt is rising while the government is stuck with gridlocks. Democracy everywhere faces cynicism. No one trusts politicians anymore. Just 17% of Americans say they trust the federal government and Congress has only 10% of approval rating. By contrast, 85% of the Chinese people approve their government's decisions. Europe is also in trouble. As predicted by Milton Friedman, the monetary union is leading to political disunion. European Union accounts for 7% of the world's population and 50% of its social spending. The moderates' inability to solve problems is making the extremists gain popularity. Besides all, demography is against everybody. The aging of the populations will be an additional weight on overloaded societies. In short, the welfare fantasy is coming to an end and the state is going to start to take things away.

Part of this problem comes from the confusion about a philosophical question: what is the state for? Hobbes believed the Leviathan should provide security. During Bush's administration, the U.S decided the state was not only concerned about protecting itself against a foreign attack, but should also expand democracy across the Middle East. Stuart Mill thought the answer was liberty. Recently, the actions of the National Security Agency showed that it was fine for the state to check our emails and phone calls. Finally, Beatrice Webb argued that the state should provide welfare for all. But what was at first a minimal safe net to protect the vulnerable from unemployment and misery became free university and bus passes for all and a quest to popularize opera. That gradual degeneration is endangering the western world's place as the beacon of humankind.

¹ MICKLETHWAIT, John; WOOLDRIDGE, Adrian. *The Fourth Revolution: The Global Race to Reinvent the State*. New York, The Penguin Press, 305pp, 2014, ISBN 978-1-59420-539-2.

* Mestre em Relações Internacionais pela Universidade de Brasília – UnB (reinaldoalencar@gmail.com).

The West is no longer the most relevant reference of governance. In fact, the Chinese government sends students to the United States to learn what not to do in terms of how to manage a country. At the same time, the authors argue that the emerging world is coming up with interesting new ideas. India innovated by applying Fordism to their health care system. Brazil developed a conditional cash transfer system that caught the world's attention. In the East, the ideas of democracy and welfare are being contested. Singapore's authoritarian business-friendly small government inspires the Chinese. They believe that democracy is short sighted – always thinking on the next election – and dysfunctional (and looking at the examples of the U.S. and the E.U., who can say they are wrong?). China itself inspires leaders all around the globe with their fast growth state capitalism model. Some of these countries are convinced that democracy doesn't work: that has happened before. But unlike the past times, the current competitors accept that capitalism and globalization are necessary and unavoidable, which makes them much more dangerous. The West's ability to correct its own flaws is going to be essential to determine if democracy will remain the only reasonable social order of the future.

Fortunately, there are creative solutions appearing around the world. The Scandinavians offer several lessons about more responsible legislation, such as: i) an automatic mechanism of correction of the retiring age based on the life expectancy of the population; ii) sunset clauses to new regulations – *i.e.*, the approved laws expire in a pre-determined time to avoid anachronism and allow renewal; iii) adopting the concept of “*Flexicurity*” to allow companies to fire their employees easily but the government help them to find new jobs. They also relegate public services to private companies and NGOs leaving the government to regulate and evaluate their performances. The goal is to extend the market into the state – not the opposite – while finding a balance between providing collective goods and achieving fiscal balance. The Scandinavian experience demonstrated that it is possible to improve services while reducing spending. But there's not much room for overexcitement. Reforming the state is probably one of the most difficult tasks in the world.

Though the authors tend to focus mainly on developed countries, there's a lot in the book that will interest the Brazilian reader. It offers a great opportunity to rethink the role of the state in our society. Although still poor in *per capita* terms, the country has built a huge welfare net of social benefits that demands the existence of a large government. All the “big state's diseases” are clearly present in Brazil. A large chunk of the social spending tends to go to middle class pockets. The regulations are kidnapped by interests groups. Also, the gigantic bureaucracy stimulates corruption and rent-seeking behavior. The book will offer access to innovations in public management, new uses of technology in the public sector and new solutions to deep fiscal problems such as pensions and health care.