TrustTalk interview Francis Fukuyama

Voice-Over: Welcome to TrustTalk. Our guest today is Francis Fukuyama. He is the Olivier Nomellini, Senior Fellow at Stanford University's Freeman Spogli Institute for International Studies and a faculty member of the Center on Democracy, Development and the Rule of Law and a professor of political science. His interest in philosophy and inspiration for his later work came from his undergraduate teacher, Allan Bloom. He talks about interpersonal trust that enables formal institutions to establish property rights and the rule of law and a commercial code to promote economic activity about the lack of trust that will add to transaction costs and make business dealings much more difficult. When asked about the eroding political trust, he talks about the rise of populist politicians and the distrust they foster against institutions as well as media to gain power. The elite losing sight of the views of ordinary people being unresponsive and unaccountable, which has led to a crisis of trust in political institutions. We talk about information distortion, conspiracy theories, and the imperviousness of fact-checking and evidence. He counters China and Russia's arguments that liberal democracy is an obsolete system and talks about Putin's Ukraine war and the effect that any outcome will have on other conflicts in the world. Your host today, Severin de Wit.

Podcast Host: Professor Fukuyama, welcome at TrustTalk.

Francis Fukuyama: Thank you very much for having me.

Podcast Host: To start, I would like to go a little bit into your background, if I may. I understand you trace your love for making things among all the things making furniture, to your paternal grandfather, a Japanese immigrant who opened a hardware store in the Little Tokyo neighborhood in New York in the early 1900s. When becoming a student at Cornell University, you fell in love with philosophy, where you studied classics. In your 1992 book, The End of History you had the beginning, it might be, according to The New York Times, a seminar on Plato's Republic, taught by the charismatic political philosopher Allan Bloom, the future author of The Closing of the American Mind. Is that a fair assumption?

Francis Fukuyama: Bloom was my undergraduate teacher who introduced me to the whole tradition of philosophical thought. He was a really major influence over my life and also taught me a lot about the history of philosophy.

Podcast Host: You often speak and write about liberalism and democracy. We come to that in a minute. My immediate reason to interview lays in one of your earlier books called Trust the Social Virtues and the Creation of Prosperity, written in 1995, 27 years ago. In the book, you explore the role of trust in laying the foundation for economic growth, and you make a compelling case for trust being essential to prosperity. In a few words, what is it that you advocate in that book?

Francis Fukuyama: Well, I don't advocate so much as just observe. In any society, you have formal institutions that establish things like property rights, rule of law, a commercial code and so forth that promote economic activity. But really, you need things in addition to that, which is interpersonal trust. That is to say people have to believe that they're partners in any business enterprise, are going to be honest, reliable, perform as they have promised. You can try to compensate for a lack of trust by writing contracts that are very detailed, that specify all of the conditions that your business partner has to fulfill and if they don't fulfill it, you can take them to court and sue them and so forth. These all add up to transaction costs that make business dealings much more costly, slow, difficult and sometimes impossible. So therefore, if you live in a society in which people are basically honest, they keep their word, they can do things on a handshake rather than having to write out a detailed contract, you're going to have a more efficient economic transaction and therefore greater overall economic efficiency. So there's this informal side to any economy that is also as important, I think, as the formal institutions.

Podcast Host: Democracies require trust, as democratic institutions are mechanisms for making decisions together. But we have little reason to participate if we believe that those institutions are rigged against us or if our fellow decision-makers are incompetent or disingenuous. So a healthy democracy will give citizens trust in the reliability of both their peers and the institutions that implement their decisions. It therefore seems an urgent problem that political trust is eroding rapidly across the globe. So in other words, liberal democracy has trust issues.

Francis Fukuyama: Yeah, absolutely. I think that's probably the central problem right now, in many democracies, you have the rise of populist politicians who are outsiders that claim that all of the established parties, the established media, represent an elite that doesn't have the interests of the broad mass of people in mind when they act, and they actually deliberately try to foster distrust of those institutions. That's part of their method of gaining power for themselves. And sometimes it's rooted in a certain degree of truth that elites can lose sight of the views of ordinary people. They can be nonresponsive, unaccountable and the like. And so that has led to a crisis of trust in political institutions in very many countries.

Podcast Host: Let's talk about democracy a little bit. In essence, democracy is a way of dealing peacefully with different and at times opposing interests within societies. For democracy to work, trust is required not only between those who share the same interests, but to some degree also across the political demarcation lines. We need to trust the opposition to stay fair, act in good faith and respect basic rules. What can be done to make sure that this kind of trust among political opponents is strong enough in view of how much distrust populists are spreading these days?

Francis Fukuyama: Well, that's a hard question to answer generically, because the type of distrust really varies according to the specific context you're in. In the United States, we have a major crisis of trust right now because something like 30% of Americans believe that Joe Biden stole the last presidential election. This is completely untrue. They're believing a big lie. If we didn't have Donald Trump promoting this lie, they wouldn't believe this. But there we are. And there's not an easy way to convince these people that what they believe is wrong because they live in a completely separate media universe that's been facilitated by the rise of the Internet, so there's many alternative sources of information, there's a complete right wing media system that reinforces conspiracy theories that are passed around by the people that live in it, and they're largely impervious to fact-checking or to more reliable, authoritative sources of information. And so I think the only way that you can deal with this is by defeating them in an election. I think that in the United States, this group really doesn't represent more than about a third of the electorate. And if their party gets defeated pretty convincingly in the next series of elections, they're going to begin to realize that they've boxed themselves into a really untenable long-term position, and they'll start perhaps coming back to the center. But short of that, I don't really see a way of dealing with this because, like I said, they're really impervious to

arguments, to evidence, to the kinds of things that normally you would use to convince fellow citizens that something that they believe is wrong.

Podcast Host: Do you believe that the new geopolitical momentum of authoritarian threats in Western unity against it could lead to a revival of liberal democracy? And in line with that question, to what extent is the outcome of the Ukraine war critical for the future of liberal democracy?

Francis Fukuyama: Well, I think it's very critical because Russia, along with China, have been putting forward an argument that liberal democracy is an obsolete system. It doesn't work, it's not delivering for its people, and that their authoritarian governments are more effective in doing that. And I think that if Putin is defeated in Ukraine, it's going to prove that he's actually not this clever strongman that knows what he's doing, but he's actually an incompetent fool that's also violating human rights, causing damage on an unimaginable scale. And that is obviously going to reduce the appeal of that kind of strongman politics. So I do think that the conflict in Ukraine is going to have consequences that go far beyond Ukraine itself. If he's successful in grabbing part of Ukraine and holding onto it and incorporating it into Russia, it's going to validate other countries doing that. The one that obviously people are worried about most is Taiwan or China has territorial claims on it. But there's others in other parts of the world and we're already seeing violence in Central Asia, you know, between Azerbaijan and Armenia. So there's a lot of stimulus that a successful Russian attack on Ukraine is going to have for these other conflicts.

Podcast Host: In a recent issue of The New York Times, David Leonhardt wrote about the two biggest threats to trust in American democracy, you mentioned already one, first, the movement within the Republican Party that refuses to accept election defeat and second, a growing disconnect between public opinion and government power. So you already said something about the situation in the US, but do you see similar movement in Europe?

Francis Fukuyama: Well, there's obviously been a disenchantment by many people, especially on the right, with European institutions, because they haven't delivered on issues like financial stability after the euro crisis and then immigration, where that was a problem that seemed to be out of control and something that Europe couldn't deal with very effectively. And I think

there is also just a feeling that the elites wanted this European project regardless of what ordinary people thought. So that was on a European level. I think in every European country there's also been a disenchantment with the established parties. Europe has been run by center-left and center-right parties really for the last three generations now. And there are a lot of problems that those parties haven't really been able to deal with seriously or to solve. So I think that's laid the ground for the growth of populist outsider parties that claim to be willing to take a completely fresh approach and to tackle some of these problems. I don't think they're going to be able to, but that's certainly the appeal.

Podcast Host: The argument you make in your book, Liberalism for the 21st Century is that part of the current disaffection with liberalism is not from any of its basic principles, but is the result of certain deformations of liberal principles that were carried to extremes which led to bad outcomes. What were those deformations, as you call them?

Francis Fukuyama: Well, there are several different types. I mean, there's one on the right and then one on the left. I think the right wing defamation was the rise of so-called neo-liberalism. This is not a synonym for capitalism, but it's really the kind of market ideology that we associate with Margaret Thatcher and Ronald Reagan. New British Prime Minister Liz Truss sees herself as a reincarnation of Margaret Thatcher and is cutting taxes in the very similar sort of way. So it's this belief that the state is the big obstacle to economic growth. If you get rid of state intervention in the economy, you're going to have economic prosperity. And this led to both deregulation of financial markets and a kind of globalization that displaced a lot of jobs out of rich countries. So it hit the working class in a lot of wealthy societies as jobs moved to low cost, low-labour-cost areas. And the deregulation of the financial sector really was the cause of the recurrent financial crises that hit the developed world beginning in the early 1990s and really culminating in the American subprime crisis in 2008 and then the euro crisis in 2010. And all of these had extremely disruptive effects on ordinary people. You had a kind of international oligarchy that lived off of finance, that managed to survive all of these crises. But a lot of people lost their homes, they saw their jobs disappear and I think that's fueled a lot of the populism that we've seen on both the left and the right since that time. So that's the deformation on the right. The one on the left really has to do with interpretations of autonomy, where autonomy is seen not simply as the ability to make moral choices within a commonly accepted moral framework, but to make up the framework yourself. That takes several forms and some

versions of multiculturalism. You reject the idea that there should be a common liberal outlook that are shared by all citizens, that every cultural group gets to live under its own rules, even if those rules contradict basic liberal principles or else, you know, it leads to a kind of personal ability to defy convention and live outside of normal social life. And all of those things, I think, make it difficult to have a sense of community because community is really all about shared values and it's something that people crave. And I think it's one of the things that has disenchanted people with life in a liberal society.

Podcast Host: So far we have been talking about the role of trust in democracy, in the political science. But let me ask you a question that has more to do with the science as such. You have been very critical about French philosopher Michel Foucault for undermining trust in science. He was, in a sense, the first to validate alt-truth and discard verifiable fact as merely another opinion. Foucault, who died in 1984, who would likely be most shocked to see his thoughts appropriated by the populist and the nationalist right. What are your thoughts on that?

Francis Fukuyama: Well, Foucault was a very brilliant and creative thinker, and he started with a correct observation that in the old days he said, if you were a king, you could simply order the death of a subject that you didn't like. But today you're not allowed to do that. What happens instead is that powerful people use the language of science to convince people to do certain things that are not in their interest. And so it's a manipulation and he said this in relation to specific realms like homosexuality, incarceration, mental illness. And I think that he had an important point there, because the fact of the matter was that these were things that were pathologized, that were actually kind of normal behaviors in many respects. But towards the end of his career, he began to generalize this, to say that science as a whole was a tool that was being used by elites to convince people to be obedient, to defer to their authority. It was really a matter of power. And I think that that view is something that's now spread over to the extreme right. I think you're right that Foucault himself would be horrified at this idea, but during the COVID pandemic, you had a lot of right-wing groups saying that vaccines were actually a way that elites were using to control youth, that mask-wearing and social distancing were just expressions of power on the on the part of hidden powers that, you know, wanted simply to exert political control. And so you had the almost identical argument gravitating over to the right.

Podcast Host: My interview normally ends with the same question I would like to ask you, too, Professor Fukuyama, what do you see as the main challenges for the younger generation of political scientists?

Francis Fukuyama: Well, that's kind of a hard question to answer because, first of all, political science really differs from one part of the world to another. In the United States, it's become extremely methodological. They apply a lot of very high-powered mathematical techniques to analyzing politics, and it ends up not being able to address some of the big questions that we really want to have answered. What makes a democratic system legitimate? What's the best arrangement of institutions to make democracies more functional? Why is populism arisen? A lot of the approaches that are used in political science don't really give you answers to those kinds of questions. And so I would say that they need to keep the big picture in line. And I think in general, the academic discipline of political science has gotten detached from real-world concerns about policy and about how to make the world better. I've always myself taught not in a pure political science academic department, but rather in policy schools where you're training people actually to make policies that hopefully will solve problems, important social problems. And there's a different set of skills that are needed to do that kind of work than what's taught in a lot of academic political science departments. And so I would say that's my general advice is to keep yourself grounded in real-world problems and develop the ability to respond to those problems.

Podcast Host: Professor Fukuyama, thank you very much for being our guest today and for your insights. I wish you good health and good luck with your work, and we're looking forward to your next book.

Francis Fukuyama: Thank you very much.

Voice-Over: We hope you enjoyed this episode of TrustTalk. We would be very grateful if you would leave us a review on Apple Podcasts. Don't miss out on future travels around trust and subscribe to this channel or visit us on our website TrustTalk CO or on Twitter at TrustTalk CO. We look forward to seeing you again.