

*Chapter One***Chronic Failure or Real Solutions: Which Future Do We Want?****Why This Book: Time to Fix America's Chronic Problems**

Books are born of many impulses. This one began with frustration – so many chronic problems, so few real solutions. Worse yet, so little hunger for real solutions, so little vision of how they might be created.

Once we believed we could solve Big Problems by creating Big Government Agencies. That era is long gone. Today's world is one of inter-linked corporations, innumerable small and medium businesses, powerful financial markets, a complex federal system of national, state, and local governments, and an extensive infrastructure of nonprofits. Were we skilled at reinvention and renewal, we'd constantly redesign and improve the business and government and nonprofit environment in which we operate. But we are terribly unskilled. In one sector after another, old ways of doing business are past their prime, but we cannot bring ourselves to redesign aging business models and rewrite aging public policies. Chronic problems thrive. Real solutions never find a voice.

It is time for a fresh approach. Yesterday's habits are not the answer; new challenges call us to learn new methods. An era of renewal and reinvention lies ahead for an awakened public.

Readers Who Can Use This Book

This book is for readers from several parts of our society.

Some readers will be business professionals who have lived through reengineering and organizational transformation inside their own companies, and who will intuitively sense the potential value of these tools for taking on larger societal issues.

Some will be civic leaders, women and men who interact with urban issues and environmental issues and economic issues and who know their lives are spent within the straitjacket of patching together modest reforms. Small reforms are tangible, and therefore satisfying. Small reforms, though, never break us free of the underlying problems. What is the payoff for years of work when the larger source of the problem remains safely in place? This is a book about thinking long, defining real solutions, and, over time, achieving closure.

Some readers will be political partisans, from across the spectrum, who see in their own parties a chronic practice of dumbing down major issues and keeping problems alive rather than addressing them properly.

Some readers will be college and university professors. By occupation, professors are often forced to be specialists, but by intellect, they also are drawn to larger issues and the search for genuine solutions. It is time to build a new store of intellectual capital, and they will see in this essay many opportunities to add value and illuminate new possibilities.

Some readers will be college students and recent graduates. Throughout this book I reach for real solutions. The young always have an advantage; the thirst for real solutions hasn't been drummed out of them yet. So many young people want to change the world, want to apply their passions in ways that will bring real progress and fill them with real pride. This book sets out a structure for defining real solutions, and gives young people numerous opportunities to energize the

sort of change that truly promotes the common good.

Some readers will think of themselves as ordinary folks who are tired of superficial debate. Talking heads, they have long since realized, have no genuine appetite for solving problems. America's media commentariat fingers problems as though they were prayer beads. Heaven forbid that any problem should ever be *solved*. Their public relevance depends on insolubility. Maybe ordinary citizens with fire in their belly can be part of the answer.

But I wrote this book first for my children. Serious answers require serious methods, and that is what I have tried to provide. When I was in my early twenties, it would have been so valuable to have had a book like this.

Chronic problems are not inevitable. We Americans can learn the arts of finding real solutions, if we wish. I have made this case as strongly as I can, and given it my best shot. Now it is time for others to look it over, to read it carefully, and to pull from it whatever elements are of most value to them. To an author, a published book is a finished product. To a reader, a book by someone else is always, in part, nothing more than raw material. This book is stuffed with my best raw material. I hope you enjoy it.

An American Future Based on Real Solutions

Let's shed inhibition, for a moment, and imagine a future America whose chronic problems are well behind it. At some indefinite time in the future, **this is the America we live in:**

Environmental self-discipline has become an accepted way of life. The American economy's vast material flow is entirely sustainable. Input resources are harvested sustainably and/or obtained from recycling. All waste is captured and recycled. Technologies that once generated cumulative pollution have been phased out; technologies that avoid cumulative pollution have been phased in. Real estate management is no longer at war with habitat survival. The overload of atmospheric carbon dioxide has been capped, global warming has been stabilized, and climate damage has been limited. The energy economy of tomorrow meets everyone's needs even though coal, oil, and natural gas can no longer be allowed. Transition programs that helped employees from those industries find their way out of the old energy economy and into the new are no longer needed. Industry by industry, American business understands and promotes environmental sustainability.

In America's cities, the urban failure spiral is behind us. Single parent families are fading from the urban scene. Most children are raised in homes that have dads as well as moms. Affordable housing is available almost everywhere; ghettoizing the poor is no longer an acceptable practice. Urban schools educate all children effectively. High school graduates find jobs. The minimum wage is no longer impossibly low. Even in entry level jobs, young men and young women find it possible to marry, find housing, pay their bills, and start their families. The Prohibition-style drug policies that once enriched vast drug cartels have been phased out. Drugs are regulated, not prohibited, and drug use is dealt with as a medical problem, not a criminal problem. With the revenue from drugs dried up, street gangs have lost much of their hold on urban neighborhoods. America's middle class culture has become warmer, more welcoming, and more appealing; the lure of underclass culture has been broken. America's prisons receive and hold only a fraction of the prisoners they once held. Beyond all this, land use and transportation practices are quite different. Point-to-point public transit technologies have dramatically weakened America's gridlock nightmare.

Clean prosperity capitalism will again be the preferred economic norm. It used to be the case that most of America's rising prosperity flowed into the bank accounts of the top ten percent. No more. Once again this nation's rising prosperity is shared equitably among Americans of all income

levels. Cartel-style price increases in American medicine are no longer the rule of the day; the affordability crisis has been ended. Americans have found their own solution to universal medical coverage and lasting affordability. The price-wage squeeze has also been relieved in housing, in energy, in transportation, and in college tuitions. The spillover benefits for those of limited means have been considerable. Social Security has been placed on a stable economic foundation, and now accommodates the needs of an expanded elderly population without forever teetering on the brink of insolvency.

To everyone's delight, there is considerable synergy in having all sectors of society work properly. Self-sustaining success spirals are visible everywhere. The decision to recommit America to the principles of shared prosperity capitalism have energized urban turnaround; young people can see a real future for themselves within the middle class. The fairer the American economy, the weaker the hold of underclass culture.

The drug problem could not have been solved in the context of an outrageously expensive medical care system. Medical affordability, though, has had positive effects in the area of drug policy. Now addicts get the care they need because sensible price controls in medicine have made this an affordable choice. As the drug problem eased, urban recovery accelerated.

Smarter decisions about urban transportation have eased traffic congestion, even when higher density housing strategies are adopted. By recapturing the freedom to boost housing density, just a bit, America has made its cities much more livable for lower middle class Americans. Affordable housing within reasonable commuting distance of work is once again available, to the relief of employers as well as their employees. Lower middle class Americans have an easier time finding jobs, and the employers who want to hire them have larger pools of applicants to draw from. The job market is healthier; and, with shorter commutes, family life is healthier too.

In tomorrow's America, the knowledge economy flourishes. All working people are respected. All neighborhoods are middle class neighborhoods. Almost all employees are high school graduates. America's sense of social unity has improved. A greater spirit of mutual respect has crept upon us; as Americans we have a sense of team pride that no one remembers us having before. Wall Street's boom and bust addictions have been curbed, its glamour trimmed, its legitimate functions protected. On the whole, Main Street America is the heart of who we are.

Seeing such a future in our mind's eye is powerful. With a silvery line of hope it connects us to a future we can create if we so choose.

An American Present Filled With Chronic Problems

Back, now, to the present. Let's take a second look at the real America of today.

Environmental Capital. In the America of today, dirty technology choices abound. Mountaintops are ripped off and dumped into neighboring valleys in the name of jobs and profits. Resources are acquired without regard for sustainability, products manufactured without regard for sustainability, and trash disposed of without regard for sustainability. The prevailing notion is that America can be a wealthy country today only if it bequeaths to its grandchildren an environmentally ravaged future. As in the Biblical parable of the prodigal son, America's precious environmental heritage is treated as something to be squandered in the pursuit of immediate pleasures.

The most grievous plunge toward an environmentally darkened future is being driven by the fossil fuel industries of coal, oil, and natural gas, and by the technology companies whose products run on those fuels. This is a global problem in which America has for a very long time been the leading offender. The root of the problem is quite simple. A fossil fuel is a hydrocarbon fuel; when

the carbon portion of a hydrocarbon molecule is oxidized, carbon dioxide gas is produced and released into the atmosphere. Some of those carbon dioxide (CO₂) emissions are absorbed by the oceans, with adverse chemical consequences for marine life. Some of the CO₂ emissions are absorbed by the world's forests. But half of all CO₂ emissions remain in the atmosphere for a very long time. The resulting CO₂ overload is essentially irreversible.

Carbon dioxide is a heat-trapping gas. It interferes with the Earth's natural cooling system. Under normal conditions, the Earth sheds as much heat as it receives and the average temperature of the entire planet remains stable. If the atmospheric stock of CO₂ is stable, the Earth's average temperature tends to be stable as well. In today's world, however, a juggernaut of fossil fuel consumption has overthrown the natural heat stability of the global climate system. America and the other nations of the world have set in motion a heat-trapping process that is slowly raising the temperature of the planet and insidiously altering its climate.

Responsible scientists everywhere have followed the call of professional integrity and conscience to sound the alarm. Yet in too many social circles it is considered bad form to take such warnings seriously. The genuine threat of disastrous climate change is ignored as the morally blind rally to protect outdated institutions from the public scrutiny they deserve.

Scientists first began to measure the CO₂ overload in 1958. At that time, as we now know, the human-induced overload of carbon dioxide was 12.5%. As of today, in 2009, the CO₂ overload has reached 38% and this dangerous overload grows by an additional percentage point every year and a half. At current rates humanity will push the CO₂ overload past 100% later this century. It is beyond humanity's power to put the carbon dioxide genie back into the bottle; each new percentage point is essentially irreversible. Like too many other nations, America too has chosen to play Russian Roulette with the global climate.

The Economy. Americans live in an economy governed by clichés calculated to confuse rather than enlighten. In the name of deregulation, mortgage companies, investment banks, and ratings agencies were allowed to create toxic assets and sell them worldwide. Now the global economy has been brought to its knees and will be quite a long time recovering.

In the name of faster economic growth and greater prosperity for all, those at the helm of the nation's economy rewrote many of the rules back in the 1970s and 1980s. The normative standard of shared prosperity capitalism was swept aside, to be replaced with a new norm that emphasizes much slower prosperity growth for the middle class and much faster prosperity growth for those at the top of the pyramid.

Though the clichés of the new economy promised faster growth, just the reverse has occurred. GDP growth slowed down. For reasons I will discuss later on, it is easier to accelerate the enrichment of those at the top in an economy that has ceased to grow at full speed. With middle class earnings depressed, Main Street businesses have also suffered. These last three decades have done wonders for large stockholders but have not been kind to the vast majority of the American workforce.

Urban Life and Human Capital. An urban failure spiral grips too many American cities. Housing markets ghettoize the poor. Urban school systems produce too many dropouts. A young black male who fails to finish high school is at great risk of eventually going to prison. The job market offers little and doesn't reach out as it could. Gangs are far more effective than employers at recruiting the young into their way of life. Like Prohibition, the war on drugs has the perverse effect of making the drug business tremendously profitable for the international drug cartels. Street gangs become retailers for illegal drugs because that's where the money is. The pool of eligible husbands

all but vanishes under these pressures. Welfare punishes marriage and rewards single motherhood. The two-parent family is non-existent in many underclass neighborhoods. Poverty is a permanent reality. The boys repeat the failures of their absent fathers; the girls repeat the failures of their unwed mothers. The urban failure spiral continues. And continues, reinforced both from without and from within.

In the larger world of middle class urban America, an infatuation with cars, cars, and more cars yields rush hours encased in gridlock, gridlock, and more gridlock. Gridlock is mathematically foreordained for those who choose without foresight; we have been suburbanizing for sixty years without ever learning the craft of civic foresight.

Time to Get Unstuck

Two scenarios. One of a future in which Americans are at the top of their game. One of a present in which Americans are held in the grip of backward institutional practices that serve us badly. What distinguishes these two paths is our capacity for institutional renewal. An America that knows how to do institutional renewal, and do it well, can steer itself toward the first scenario. An America that cannot learn the craft of institutional renewal will be held permanently in the grip of the second. The first has skill, purpose, and direction. The second scenario is of an America stuck in neutral.

I have written this book for all those who are tired of seeing America stuck in neutral. It is for those ready to learn the craft of institutional renewal, ready to shape a future that truly fulfills our nation's promise.