



IN THIS ISSUE: A NEW SOCIAL MODEL

The frustration and bitterness that fill American politics these days reflect the failure of our current social, political and economic institutions and practices to deliver the results that Americans want and expect. But a bright, prosperous and fulfilling future is ours for the taking. The model for this good society, however, is different from what we have had in the past and present.

This is the basic theme of Walter Russell Mead's six-part essay "Beyond Blue," that he has posted at his blog on [The American Interest](#) web site.

I devote this entire issue to the essay because it has some important, interesting ideas and concepts about how society will be organized in the future, and what we have to do to get there from the present (which is not a happy place!).

I like the essay because it incorporates many of the trends I have identified as at work in forming our future. Covered in *Growth Strategies* over the years, these include the following:

- the importance of wealth creation
- individualism
- the importance of family
- US competitive advantages
- the importance of technological development
- work/life integration
- the importance of reform in our institutions and systems, first and foremost in our education and legal systems
- the experiential economy
- the importance of creativity and innovation
- entrepreneurialism
- the importance of new and small businesses

THE AMERICAN DREAM: AN EVOLVING CONCEPT

The Blue Social Model that Mead speaks of is actually the result of the shift from the first American Dream (the independent and self-sufficient family farm) to the second American Dream (the suburban homestead). In this second model Dad worked in the office or factory and brought home the money; mom organized the home and raised the kids. This model, like the first, is being (or has been) destroyed by economic, social, technological and global forces. But also like the first, these changes are not solely destructive but also liberating.

Revolutions in manufacturing and, above all, in communications and information technology create the potential for unprecedented abundance and a further liberation of humanity from meaningless and repetitive work. As we figure this out, writes Mead, and reorganize ourselves to exploit the opportunities before us, the US is likely headed for a third iteration of the American dream (and another era of rapidly rising standards of living).

What will the new social model look like?

RECASTING THE DREAM

Mead starts with the assumption that a 21st century American Dream must be conducive to production and wealth creation. The quest for abundance is part of who we are and is necessary not only for the internal happiness of the American people and the tranquility of our social order; it is necessary for the maintenance of our international security and prosperity.

But abundance will come to be redefined; it will not be about consuming more oil, aluminum and plastic every year but being better and smarter in our choices. Our wealth will be measured more in

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the capabilities of our possessions and their design than in their horsepower or their volume.

Mead's second basic principle of progress in the American context is greater individual liberty, also a defining tenet of the American character. This liberty implies freedom from both government constraint and from social hierarchy – not a libertarian utopia but a turn away from the nanny-state aspects of 20th century progressive society.

The third criterion of Mead's new American system has to do with the quality of our social and community life. Our concepts of freedom and prosperity are linked to a vision of a society in which the family (however defined) is independent and secure. The free family farm and the owner-occupied suburban homestead put the family at the center of the Dream, and this will be true going forward even as our concept of the family continues to shift.

In the next era of American development, people are going to want to take control over their children's education and they will seek to replace public bureaucratic institutions with private communal ones. We can see this taking place in many fields already. We've seen domestic social programs shifting from bureaucratic, permanent government bodies to faith-based and communitybased social service providers. In education there is mounting support for charter schools, home schooling and voucher programs.

There will be much more of this, writes Mead.

THE POWER OF INFOSTRUCTURE

The quest for economic prosperity helped make the blue social model, and the failure of that model to deliver continuing prosperity in contemporary conditions is both a symptom of and a leading reason for its decline. How can we now generate a rising standard of living for

our citizens? To answer this Mead identifies our comparative advantages.

These include access to abundant energy resources, agricultural productivity, international trade, the English language, and cultural and political influence. Among all the nations of the world, the US and a handful of English-speaking societies have some unique strengths. We combine rapid innovation with social and political stability. Despite a history of booms and busts (including the 2008 meltdown), our financial histories have also been more stable than other countries.

America is good at change. We absorb immigrants better than most. We like new things and like to try them out. We have an optimistic streak in our nature; we believe that change is basically good and that being open to new things will make us happier and better off. Our religious sensibility is future-oriented and believes that God is working through the chaos and uncertainties of life. Writes the author:

“The first challenge of the 21st century will be the race to build infostructure – a mix of hardware, bandwidth, software, and government and corporate practices that deliver the greatest possible benefits of IT in ways that dramatically reduce friction (costs and delays) throughout the economy. The critical advances of the next generation involve the development and construction of a radically new infostructure that will change the way government, the law, education, medicine and many other institutions and industries work.”

HOW SHALL WE LIVE?

Today we don't need our whole workforce to provide for the wants of industrial society. Fewer and fewer workers produce all the food, all the factory products and all the basic administrative and technical support the social machine needs in

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order to carry out the tasks of the industrial age. So what do we do with the rest?

The answer, Mead believes, lies in the inexhaustible hunger of human beings for more and better experiences.

This hunger for new, richer and more interesting lives ensures that we can all keep making a living – and it ensures that we will also want to keep working so as to afford all the cool new services and experiences being created around us. As long as humanity keeps wanting, humanity can make a living satisfying wants – and creating new ones.

The flowering of existing “lifestyle industries” and the birth of new ones will drive the economy of the 21st century. Our society will be able to afford the “diversion” of so many workers into “unproductive” service jobs because our basic material needs will be met by so little labor that there will be plenty of hands and brains ready and willing to take up new occupations.

JOBS, JOBS, JOBS

America’s economic structure, the labor market and the American workplace have changed greatly in the last twenty years and will likely change even more in the twenty years to come. The American economy will not only need to create new jobs, it will need to create new kinds of jobs and new relationships between workers and employers as we work to build the next version of the American dream.

In many and perhaps most economic sectors, the links between employers and employees are likely to weaken. As communication software improves, as telecom costs continue to drop, as management practices catch up with technological capability, many more people will work from home, or in small satellite facilities. Increasingly, they will work for more than one company at a time, bid-

ding on assignments, perhaps, on a contract basis rather than as long-term employees.

In this sense the workplace will become less feudal and more transactional. People will date around with employers, rather than settling into long-term exclusive relationships. Entrepreneurs, free agents and freelancers will be much more common than they are now; lifers more rare.

The weakening of the ties between employer and employee is another way to speak of the “entrepreneurialization” of the American labor market. In the 19th century, most Americans were entrepreneurs: operators of family farms. In the 20th century, most were employees, often of very large companies. In the 21st century we are likely going to become more entrepreneurial again, only instead of selling the produce of our farms, we are going to be selling the services we produce based on our skills and our imaginations.

In order to create the kind of job and service explosion that can provide better incomes for more Americans going forward, the government needs to shift policy. It must favor the small firm and entrepreneur: the owner-proprietor group needs to become the apple of the government’s eye. Their taxes should be cut; their paperwork burdens drastically reduced; regulations should be rewritten and simplified to meet their needs.

Instead of making what industrial policy advocates always call smart investments in the industries of the future (and which much too often turn into boondoggles), we need to be improving the climate for the creation of new enterprises. We don’t now know exactly what new services, new organizations, new products and even new professions will characterize the unprecedented information-rich economy that is beginning to rise around us. Nothing like this has ever been seen before, and it is impossible to plan for a future shaped by so many disruptive technologies all coming on line in such quick succession.

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Government needs to clear unnecessary obstacles out of the paths of the pioneers of the new economy, Mead believes. The single most effective way the government can support the necessary change is to adapt its regulatory and employment policies to the needs of the start ups from whose ranks the leaders of the future will emerge. That is not the only type of change that would help, but it is the most important one.

REVERSING THE DIVORCE OF PRODUCTION FROM CONSUMPTION, FAMILY FROM WORK

Under the blue model, Americans increasingly defined themselves by what they bought rather than what they did, and this shift of emphasis proved deeply damaging over time. The transformation to a new and higher kind of political economy will require us to put production and accomplishment back at the center of our value system.

In the absence of any meaningful connection to the world of work and production, many young people today develop identities through consumption and leisure activities alone. You are less what you do and make than what you buy and have: what music you listen to, what clothes you wear, what games you play, where you hang out and so forth. These are stunted, disempowering identities for the most part and tend to prolong adolescence in unhelpful ways. They contribute to some very stupid decisions and self-defeating attitudes. Young people often spend a quarter century primarily as critics of a life they know very little about: as consumers they feel powerful and secure, but production frightens and confuses them.

That so many American kids spend so many years in school without learning basic, elementary school-level reading and math skills – to say nothing of the other things that in theory 12 years of formal education should teach – is a devastating critique of the way we organize this part of our lives. The sheer amount of time wasted is staggering – to say nothing of the money, effort or

lost potential. People often speak of the need to revive vocational and industrial education as a way of reaching students for whom the traditional academic classroom holds little appeal; more basically, education needs to be integrated with the priorities and purposes of life as these young people experience it.

But the real problem with the debt-based, consumption-focused blue social model, the one that bothered many social critics even in the days when the blue model was working and looked sustainable, is one of values. A consumption-centered society is ultimately a hollow society. It makes people rich in stuff but poor in soul. In its worst aspects, consumer society is a society of bored couch potatoes seeking artificial stimulus and excitement. They watch programs on television about adventures they will never have. They try to change their consciousness through the consumption of products (entertainment, consumer goods, drugs) rather than by changing the world and accomplishing things. The massive use of recreational and mood altering drugs reflects and embodies the distortions that a passive, consumption-based society produces in human populations over time.

The good news is that this can't last, concludes Mead. A society of such people can't summon up the will and the vision, or make the sacrifices, necessary for this state of things to continue. Long before a society reaches the ultimate point of blue dissolution, things will change.

We are seeing those changes now. Competition from low wage labor overseas and automation at home is forcing millions of people to face life on new terms. The low rent cocoons of the welfare state – warehousing “surplus” people for generations at a time – are becoming unaffordable. We are being called – driven – to a new kind of life and a new social model that gives us another chance to get the balance between consumption and production right.