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Is America Exceptional?

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Abstract: *America shares many traits with other countries, but it also has characteristics that set it apart and give it a role to play and a national identity that no other country has. Most important are the founding ideas of classical liberalism, political democracy, and economic freedom. The battle of ideas going on in America today is not only ideological. It is historical. It is actually about the heart of the nation. It is about whether America will shed its distinction. And it ultimately is about whether America will give up what made it great in the first place.*

Thank you to the Federalist Society chapters here in Rhode Island for inviting me to speak on the question, “Is America an exceptional nation?”

This idea of American exceptionalism actually has many roots and many variations. One is the old Puritan concept, based on a John Winthrop sermon, that America is a “city upon a hill.” This concept of America as “God’s country” or the new “Promised Land” later became secularized and mixed with ideas of liberty derived from the American Revolution.

It is this secularized idea that is most prevalent today. When Presidents Ronald Reagan and John F. Kennedy talked about America as a “city on a hill,” they meant that it had a special role to play in safeguarding freedom in the world.

Rather than give a long recitation of the ways people today interpret the idea, let me share with you my own ideas of what makes America “exceptional”—dif-

Talking Points

- When Presidents Ronald Reagan and John F. Kennedy talked about America as a “city on a hill,” they meant that it had a special role to play in safeguarding freedom in the world.
- America was founded on the creed of establishing and protecting liberty; democracy, including the idea that all people should be given equal rights before the law; and economic freedom, the freedom of individuals to own property and dispose of the fruits of their labor as they see fit.
- The real question is whether the U.S. model will continue to decline. Huge government spending, rising debt, President Obama’s health care reforms, and growing regulatory regimes are eroding economic freedom in America and, by so doing, are eroding an important element of the liberal tradition that made America exceptional.

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ferent, if you like, from most other countries. I see the idea less in moral than in political and historical terms. I may, like many Americans, have pride in my country and even think it is superior; yet what I mean by “exceptional” is not so much that it is better morally, but that it is different or special in a way that no other country is.

Of course, no country can claim to be completely unique. America obviously shares many traits with other countries, but no other country is exactly like America either. The United States has characteristics that set it apart and give it a role to play—and a national identity—that no other country has.

A Classic Liberal Tradition

First of all, America was founded on the creed of establishing and protecting liberty. That’s what the Declaration of Independence is all about. The Constitution was written as well to provide not only a unified and functioning government, but the protection of individual rights. These ideas may have been born in England, Scotland, and even France, but they took shape in a particular way in the American Revolution.

The fact that it took a Civil War to realize these rights for African-Americans does not obviate it. That war came about largely because the contradiction of slavery could not be tolerated. To be sure, there were religious elements driving the abolitionist movement, but President Abraham Lincoln and other like-minded politicians were driven by the ideals in the Declaration of Independence.

What was radical at the time of the Founding was not merely the creation of a nation based on a creed—on an idea of liberty—but also that, in a time of monarchies, this idea of democratic self-government was the means to safeguard freedom.

What was radical at the time of the Founding was not merely the creation of a nation based on a creed—on an idea of liberty, if you will—but also that, in a time of monarchies, this idea of democratic self-government was the means to safeguard freedom. It was quite a leap of faith in the 18th cen-

ture to believe that people were wise enough to govern themselves. Republics were usually associated with failure and subsequent tyrannies, either by the mob or from an emperor. The American Revolution was the realization of the Enlightenment’s ideal, and it set the stage for other democratic revolutions to come.

The American Revolution created two ideas. The first is classic American liberalism; the second is political democracy.

Classic American liberalism rests on the idea that the ultimate end of government is to protect the rights of citizens, even when the federal government is strong and unified. (I hasten to add that, in today’s parlance, this is called a “conservative” idea.)

In this regard, it’s important to remember that at the time of the Founding, Federalists like Alexander Hamilton who believed in a strong central government never doubted that they were building a new order to protect freedom. Subsequent nationalists like Henry Clay believed they were merely extending Jefferson’s idea of an “Empire of Liberty” westward. These figures may not have been small-government Jeffersonians, but they surely bought into the creed of liberty.

Political Democracy

The second idea is the idea and practice of “democracy,” so famously described by de Tocqueville—the ability of “platoons” of Americans to assemble, voluntarily and in government, to govern themselves. The idea was not merely the *process* of democracy, but that equality was essentially political—in the sense that all people, as individuals of different economic and social stations, should be given equal rights before the law. The best expression of this idea was its practice under Andrew Jackson.

Of course, today there are many democracies in the world, so it’s not correct to say that the idea of democracy is unique to America. But the practice of democracy was indeed rare in 1831 when de Tocqueville was writing (not to mention in the 18th century). Even today, I believe that our brand of democracy is different from others, even in Europe.

It is largely this idea of democracy that helped establish America as a great world power. The marriage of democracy and huge military power was a very potent force in the 20th century, and it still is.

It is also why America is trusted as an ally and world leader by so many countries in the world. Founded on the creed of freedom and representative democracy, America found it impossible to conduct a traditional imperialistic foreign policy based purely on the extraction of resources and the exploitation of people. After World War II, the U.S. “occupied” Germany and Japan, but it exported democracy to them, not military domination.

Even in the recent wars in Iraq and Afghanistan, based as they were on national security, the U.S. sought to create a new political order in those countries based on some semblance of democratic self-government.

America’s role as a world leader was based largely on the values of its creed. Those values inspired and restrained our behavior and allowed friends, allies, and even neutrals to trust us with power more than they would most other countries.

The point is this: America’s role as a world leader was based largely on the *values* of its creed. Those values inspired and restrained our behavior and allowed friends, allies, and even neutrals to trust us with power more than they would most other countries.

Today, there is no other power in the world that could play this role. China will never replace the U.S. as a world power in this way because, while it may someday become very rich and even militarily powerful, unless it changes its value system, it will never be trusted with that power by others.

Russia is largely a spent force, respected only because of its oil, gas, and nuclear weapons. It is a bit player in the international economy, and it is distrusted because of its rising authoritarianism at home and its ill treatment of its neighbors.

The only other potential player in the international game—the European Union—gave it up a long time ago. It lacks the military power and the

will to play a global role. It is content to exercise “soft” power, which has the virtue of being popular and the convenience of not costing as much as the hard power of armed forces.

Thus, America continues to play a unique role in the world. Perhaps less so relatively than it used to, but it still has that role to play.

The Progressive Challenge

The rise of the American progressive movement in the late 19th century challenged the liberal part of this creed. By this, I mean mainly the Jeffersonian idea of limited government. And it did so in the name of the second part—namely, democracy. But it was a different kind of democracy than de Tocqueville and Jackson espoused.

A more “social” understanding of democracy arose at this time from both homegrown and European imported sources. Under Jackson, the “social” part of democracy intended to expand the voting franchise to everyone. We should remember that Jackson still thought of himself as a Jeffersonian believer in limited government (witness his war against the National Bank). Big government then was feared as the property of the monied classes.

All that changed at the end of the 19th century and in the early 20th century. In the progressive and other so-called liberal movements, big government was portrayed as the friend of the little man, not its enemy. Now the state, in the name of a new democracy, would rectify perceived social and economic inequality and social injustice.

The old, “classic” liberal tradition in America is undoubtedly under siege, but its survival as a potent force is a defining characteristic of American exceptionalism.

Of course, the great political divide today—not only between the Democratic and Republican parties, but also between the Tea Party and the Occupy Wall Street movements—can trace its roots to this time. The various progressive movements today, arising during the New Deal and mixing in the New Left ideas of the 1960s, define modern liberalism as closer to European social democracy than to the

original American “classic” liberalism of limited government. Also dropped was defining democracy as mainly political.

Today, American conservatives hark back to those earlier definitions of liberalism and democracy, which is why they are called “conservatives.” And, frankly, this is one of the main reasons America can still be considered as drawing on its “exceptional” history. There are precious few “classic” liberal (conservative) parties in Europe. They are practically nonexistent in France. Even in the U.K., the Conservative Party is closer to our Democratic Party in philosophy than to the GOP.

The old, “classic” liberal tradition in America is undoubtedly under siege, but its survival as a potent force is a defining characteristic of American exceptionalism.

Economic Freedom

A third way that America is exceptional—in addition to classic liberalism and democracy—is economic freedom. Economic freedom may be a subset of the original liberal vision, but it is an important one.

By economic freedom, I mean the freedom of individuals to own property and dispose of the fruits of their labor as they see fit. Government should interfere with economic activities only to preserve these freedoms and maintain a rule of law mainly to stop criminality and preserve the sanctity of contracts.

No doubt economic freedom has been on the decline in America, but to the extent it survives, it is still an important aspect of the classic liberal tradition that sets us apart from other countries, particularly Europeans.

Economic freedom is not and never has been unique to America. Even today, the U.S. ranks below Hong Kong and even Canada on The Heritage Foundation/Wall Street Journal *Index of Economic Freedom*. No doubt economic freedom has been on the decline in America, but to the extent it survives, it is still an important aspect of the classic

liberal tradition that sets us apart from other countries, particularly Europeans.

For example, compared with the United States, Europeans have large state-run or state-controlled health care systems. They have higher taxes. Some have very centralized state structures. And through the European Union, they have surrendered some portion of their national sovereignty to a transnational entity. In other words, their governments are largely social democratic—with a small “s” and a small “d.”

Surely, America has moved in this direction. Indeed, President Obama’s health care bill was a huge step in this direction. But still, America’s welfare state remains smaller than those of most European states.

As I mentioned earlier, it is largely the debate between this European economic model and the American economic model that divides the two main political parties in America today. And although Barack Obama talks the language of an American President, his economic model is much closer to the European than to the classic American liberal model.

America has been known as the Land of Opportunity; but should it turn out that Europe is doing a better job than we are, there is precious little left to American claims of economic exceptionalism.

One of the more interesting aspects of this debate is whether Europe or America has greater social mobility. Many American liberals, looking to Europe, argue that Europe has surpassed America in mobility. You may have seen the recent piece by George Parker of *The New Yorker* in *Foreign Affairs*, for example. The obvious point he is making is that the old classic liberal idea is no longer working, or never worked, and that we should adopt the European model as our own.

There is a lot at stake in this debate. America has been known as the Land of Opportunity; but should it turn out that Europe is doing a better job than we are, there is precious little left to defend in

the classic economic freedom idea of the American Founding. In other words, there is precious little left to American claims of economic exceptionalism.

The irony here is that, if there has been an erosion of social mobility in America, it would be as much the fault of the social democratic (or *new liberal*) model as the old conservative one. After all, for well over a century, progressives have been centralizing state powers and encroaching on economic freedom in the name of social equality.

But, happily, that is not even the case. The fact is, Europe does *not* surpass America in social mobility. A number of studies—by the Organisation for Economic Co-operation and Development and by Brookings—are making that claim, but a close examination of them by Heritage scholars discovered a number of serious methodological problems, which cast doubt on their conclusions.

For example, the OECD study adopts the income concepts of member countries, some of which impute income from public goods such as the value of a bike path, parks, or amusement centers. Some also factor in the value of welfare and other social benefits provided by the state.

We Americans do not count income in this way in our statistical data sets. Not only that, there is a conceptual flaw to that model: In some cases, everyone uses these public goods. In others, they are supplied to specific groups through taxation, which takes from one and gives to another (something which obscures the opportunity costs of such income transfers). I cannot see how any of these factors can be used to measure social mobility reliably.

The OECD study, therefore, is off the mark, essentially comparing apples and oranges, and yet it is cited mistakenly to prove that the European welfare state model supposedly performs better than the American model.

Another problem is that these studies measure income mobility only from fathers to sons, leaving out women. This discriminates against countries like the U.S. in which women make up a very large part of the workforce and rise in social mobility more than in many other countries, including in Europe.

Finally, in these studies, it is assumed that the wide stratification of American income is in itself a bad thing. Income mobility is measured in terms of people rising from one quintile to another. If you have quintiles in which the overall numbers are higher, then it is harder for someone to move up the income ladder. In other words, if the lower quintile is \$10,000 in France and \$30,000 in Chicago, it will be much easier to move up the income ladder in France than in Chicago. This methodology discriminates against countries not only with higher income differentiation, but with higher incomes, period.

It is true that there is much greater income stratification in America than in Europe, but it is wrong to assume that this represents a static class system. There is a high degree of mobility, but it occurs within and between quintiles that have a larger span of income than in most countries. Not only that: We should remember that higher incomes in America are actually a sign of success.

These studies tend to favor Europe not only because they “cook” the data, as some would say, but because they assume that high income and success are bad things. They also credit the welfare state in ways that distort the picture. France, for example, has average levels of income distribution that are close to Mississippi’s, which of course is one of the poorest states in America.

To the extent that the American “classic liberal” tradition is not dead, it is not only continuing the strain of what makes America different, but is also accounting for a better performance than Europe in income mobility, unemployment, and productivity.

I’ll let the French defend that record. My point is this: Even though America is not as economically free as it once was, it still tends to be freer than most European countries. There are some exceptions, of course, but the American “classic liberal” economic model is not dead—yet. And to the extent that it is not dead, it is not only continuing the strain of what makes America different, but is also accounting for

a better performance than Europe in income mobility, unemployment, and productivity.

According to the International Monetary Fund, for example, the EU over the past three decades, from 1980 to 2010, has recorded an average unemployment rate of 7.9 percent, compared with 6.3 percent for the United States. Employment, of course, is a key element in social mobility. The unfortunate thing is that this rate under President Obama is not only higher, but persistently so.

The real question is whether the U.S. model will continue to decline. After all, huge government spending, rising debt, President Obama's health care reforms, and growing regulatory regimes are eroding economic freedom in America. And by so doing, they are eroding an important element of the liberal tradition that made America exceptional.

Conclusion

There are many other things that make Americans different: our passion for technological innovation; our devil-may-care popular culture that is emulated around the world; our particular approach to religion; and even the way we fight wars, combining high-tech wizardry and overwhelming force. But these things, as important as they are, don't have the historical roots of political liberty and economic freedom.

You can argue, as Barack Obama did, that all nations are "exceptional" in their own way. As he said, "I believe in American exceptionalism, just as I suspect that the Brits believe in British exceptionalism and the Greeks believe in Greek exceptional-

ism." Frankly, I think this is a sleight of hand. If all nations are exceptional, then none are—including the United States of America.

President Obama is a believer in the progressive model. This puts him squarely at odds with the classic liberal tradition I have outlined here. But it also puts him at odds with a tradition that once made—and to an extent still does make—America a truly exceptional nation.

I do not doubt for a minute that President Obama believes he is doing right by the country. It has always been the seduction of the social democratic model that the freedom of some must be sacrificed for the greater social good of the many. In this sense, he is merely continuing down the path started by the progressives over a century ago.

So there truly is a battle of ideas going on in America today, but the battle is not only ideological. It is historical. It is actually about the heart of the nation. It is about whether America will shed its distinction. And it ultimately is about whether America will give up what made it great in the first place.

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