

America's cappuccino's running out of coffee

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As [Edward Luce notes in the FT this morning](#):

America's infrastructure is fast descending to second world status. The US spends just 2 per cent of its gross domestic product on roads, dams, bridges, energy and water systems

No wonder it's economy is failing.

If you deny the importance of publicly funded goods and infrastructure to the point where you fail to invest in them then you inevitably remove the foundations on which private prosperity is based.

I call this cappuccino theory. The black coffee is the foundation of a cappuccino and equates to the public sector and, amongst other things, the infrastructure it builds and maintains. The hot frothy milk of the private sector sits on top of that. But when the coffee runs out you're left with attempting to build private prosperity without any foundations in which to ground it. Alternatively, you just get warm milk, and that's what you have before an economy goes to sleep.

I explain this in more depth in [The Courageous State](#).