

THE CUNNING OF HISTORY . . .

and Kevin Rudd's Social Democracy

by Tom Nairn



A Different Terrain;
National Questions;
Danger: Moles at Work;
Mole-globalisation?



After the mighty Crash of 2008–09, everyone agrees that everyone now dwells in a somewhat different world. But just how different? What do such changes of course imply for the future? An 'era' may have ended: but is it clear just what that was, beyond the old signposts left by Reagan, Thatcher, Hayek, Milton Friedman and others? Plenty of '-isms' were involved; but what is their wreckage turning into? The undertakers dealing with 'Neo-liberalism' find themselves at the end of a long, gloomy street, next to the boarded-up shopfronts of 'Communism', 'Socialism', and 'Conservatism' ('Neo'- in the window, Tory in the back room). The concourse itself teems with placard-waving zealots of all known churches, alongside the dazed would-be shoppers.

For example, former British Premier Tony Blair has recently reminded humanity that it's 'It's Time to do God!' – and this time, mean it. Appropriately enough, the former Leader's sermon appeared in the most preposterous issue ever published by the London *New Statesman*, on March 23rd 2009. It was part of Alistair Campbell's outline of British Labour's positions for the next General Election (likely to be in 2010). In effect, this public relations consultant and journalist was launching their campaign with some support from his former employer.

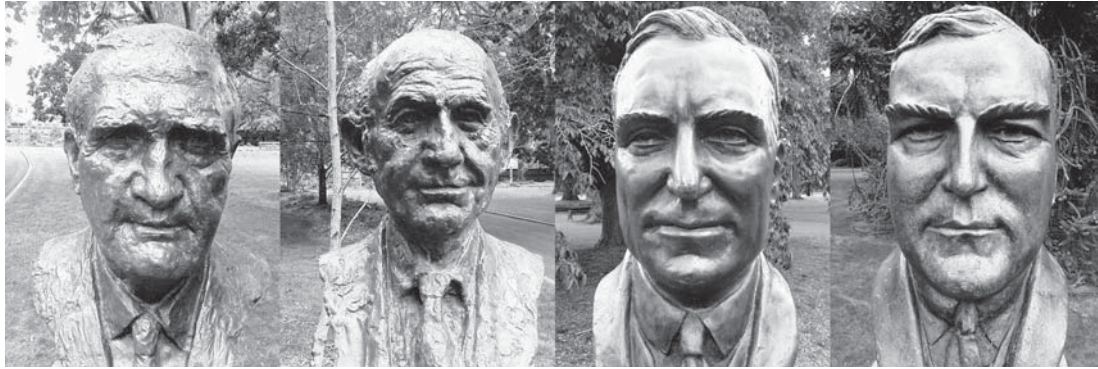
However, less sanctimonious suggestions are emerging elsewhere, and notably from the present Federal Prime Minister of Australia, Kevin Rudd. The latter thinks Social Democracy is the answer, rather than God. A year after taking office, he has published an essay in the Melbourne *Monthly* magazine

(February 2009, No. 42) called simply 'The Global Financial Crisis'. The article envisages 'truly seismic' events that are marking 'a turning point between one epoch and another', and affecting more than financiers and banks. Not for the first time, social democrats find themselves called upon 'to save capitalism from itself', and provide an alternative where *government* (italicized four times in the introduction) can provide better regulation, and stand up for public goods 'with a commitment to fairness for all'. However, this time round isn't like the others. 'Seismic', yes: Shakespeare's ever-burrowing mole has been working away as usual beneath the surface, and history herself has shifted, to furnish unheard-of conditions for such initiatives. Is it now conceivable that social-democrats can do more, and better, than the ghost of Hamlet's father: more than save the *ancien regime* from itself? And so restore it to itself?

A Different Terrain?

The combination of unusual origins and forceful argument made its impact. In May the *Monthly* followed it up with a round table of responses headed 'Is Rudd Right?' Contributors included Eric Hobsbawm and John Gray, and then Germaine Greer weighed in on May 21st in *The Age* with 'Hey, it's the Australian Way', accusing the Prime Minister of ignoring his and the Labor Party's role in getting Australians into the mess in the first place. After all, wasn't it Labor leaders like Gough Whitlam, Bob Hawke and Paul Keating who carried out the 'modernization' that implanted Neo-Liberalism so firmly in Australia? And now one of their

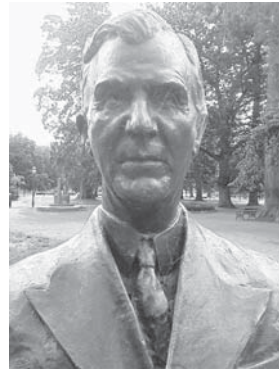




successors has the nerve to complain about it: 'The GFC is a kind of autoimmune disease', she concludes, and 'Auto-immune diseases cannot be cured, at best they can be controlled . . . and Rudd doesn't have the answer.'

From another direction, a former Editor of *The Economist*, Bill Emmott,

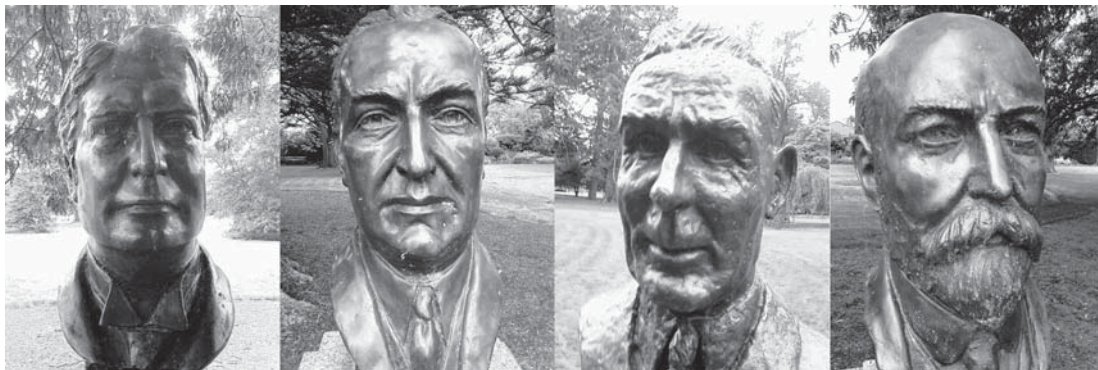
commented in the *Sydney Ideas Quarterly* (May 10th), that what's needed is more Neo-Liberalism, not less, even if (again) 'control' and 'strict rules of disclosure and . . . tougher capital requirements' have also imposed themselves. 'A rebalancing of taxes and some public spending back towards redistribution' is also conceivable, even if 'In that environment, it is going to be hard for a brave new world of state activism to take hold'. Like a number of other Rudd critics, Emmott is really pleading for a return to business as usual, reinforced by regulations of the sort that none of these experts demanded at the time: indeed they mainly scorned and denounced such interference for decades. Via an uncomfortable-looking twist, they now tell us capitalism must be got back on the road, guided by more far-seeing navigators – i.e. themselves. So while thanking Mr Rudd for his suggestion, they tell him simultaneously not to go too far – hey,



easy on all that state activism, 'new Keynesianism' (and so on).

As Hobsbawm puts it sarcastically: 'nothing is more impervious to realities than theological certainty armed with algorithms'. He goes on to emphasise that 'in the short and medium run this cannot be tackled by the profit-seeking market any more than the development of nuclear energy', and Rudd is correct to look for government initiative. Nothing short of a third industrial revolution is required, a civil equivalent to the great military expenditure that fostered second-stage industrialization in the 20th century. And post-crisis, such enterprise can only emerge through 'social democracy'.

The term doesn't mean what it once did. It was originally intended as a compromise between market capitalism and state socialism, though naturally claiming to be a fusion. Today, it denotes merely the common ground bequeathed by the Great Financial Crisis, Greer's auto-immune after-land. As Hobsbawm says, reanimation of state-socialism and communism is most unlikely. And nobody outside the algorithmic settlements believes in resumption of capitalist development either, *in the former sense*: not for the foreseeable, or any



other future. After the 'GFC' the remains of Free-Trade fundamentalism look worse than the Trade Towers: lingering lamentations apart, there seems scarcely enough left for a decent memorial.

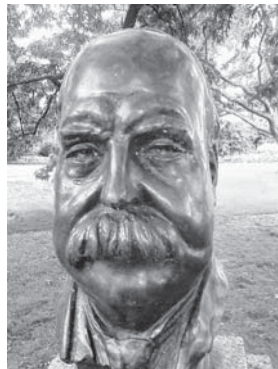
Instead, George W. Bush and the former Neo-Liberal priesthood set about *government* intervention, followed by Gordon Brown and many others. Is Rudd's pronouncement just another such echo? That depends on what he thinks of the past that has given rise to the 'GFC', and here he is very explicit. 'It has called into question the prevailing neo-liberal economic orthodoxy of the past thirty years', a crisis 'at once institutional, intellectual and ideological'. If events are 'truly seismic' they reconfigure ideas about the past and the longer-term future. In this case, surely, it is Eduard Bernstein who 'comes into his own', and a resumption of ideas about evolutionary socialism.¹ Only an altered and much longer periodization can hope to encompass the shift Rudd has indicated. Greer is impatient because he has no immediate policy answers. But surely it's a question of direction in the first place, of orientation rather than of instant funds and formulae.

National Questions

She dismisses Rudd's approach as another 'Australian Way', citing precedents from recent history. However, this too has a somewhat changed meaning in today's crisis conditions. The terrain of any new social democracies both will be and should be nation-bound – that's why the plural is appropriate. Both Leninism and capitalist counter-Leninism only half-recognized nationhood. They could see this was an inevitable inheritance, but assumed it to be really marked for transcendence. The new

grand categories favoured local colour and 'variety', of course: but *essentially* all populations were soon to be doing the same thing – 'Socialism' according to one account, market-sanctified Neo-Liberality according to the other. Beneath the folk-dancing, what one might describe as All-The-Sameism would then prevail, and provide the enduring framework of globality. This grander structure would naturally reflect grander social realities, the larger or dominant cultures destined to prevail: in recent history, the Russian-Soviet or United States input, or (looking ahead a bit) that of China or sub-continental India. Self-government is a good thing; but nationalists can't have it both ways – human 'species-being' has fostered outsize units as well as Andorrans, Afghans and Zulus, and aren't the former bound to end up with the bigger say?

Thus on the ex-Western side the national self-management of a Free Trade world didn't mean 'national' at all: at a deeper level, distinct and independent initiatives were ruled out.² Just as Moscow would provide 'leadership' over there, so the Washington (or possibly the Washington-Beijing) consensus would look after things here. The doctrine of 'comparative advantage' was the sole relief permitted, mainly on grounds of geography and resources. Chapter 2 of Roberto Unger's *Free Trade Re-imagined*, 'The Incompleteness of Comparative Advantage' gives a very convincing description of this pseudo-theory, which only seemed to function at all by ignoring politics and sovereignty. New Age avenues were locked out in advance, by the appropriately Big Lads on both sides. The Seventh Seal of 'Globalisation' is simply the admission and consecration of such crudely dominant developmental forces. It was a neat and all-too-plausible theory with only one fault: both Big





Lads were about to fall flat on their respective faces, into insoluble crises and irredeemable fragmentation.

Yet in the older world politics enjoyed some part in the recognition of 'superstructures' (the Marxist term), for adapting to opportunities and changing prospects. *National* features were allowed in the pre-Crisis scenario. All too clearly, 'protection' of inherited traits was required for nationalities to assert themselves, and succeed in the new, wider arena of free trade expansion and industry. As Ernest Gellner explained in *Nations and Nationalism* (1982), that was what the '-ism' was about. Rather than contradicting capitalist development, it was an integral feature of the age, which couldn't help favoring larger-scale politics, competition and militarism. It wasn't until the last ditch of US-led Neo-liberal orthodoxy that such factors would be completely dismissed, in the name of 'globalization'.

Danger: Moles at Work

However, as Rudd points out, that version of globality engendered its own nemesis in the Financial Crisis of 2007–09. The 'external' opposition of state-socialism collapsed first; but one unforeseeable side-effect was a mounting 'internal' wave of opposition refusing the extreme consequences of capitalist victory. History's mysterious 'mole' went with the territory: an 'End of History' inseparable from inequalities, recession and North-Atlantic domination. Inheriting this soil proved fatal, and provoked a general 'return of the repressed' towards the diversity of the national, the political, and the 'post-capitalist' – or the Social-Democratic. Beneath all the overground

precepts and ideological rules, we now see the old blighter just went on digging. It is his cunning that has forced sociality back on to the agenda of the present – not ingenious academic oracles, but the intolerable pressures of collapse, bankruptcy, despair and deepening hopelessness.³



When 'turning-points' occur is invariably very important. And for the Australian conjuncture behind the one Rudd presents, there can be no doubt what counted most: exposure to a decade of Neo-Liberalism in its most consistent, extravagant and uncompromising shape. John Howard's Liberal-Coalition regime was imposed relatively late in the ideology's period of hegemony, from 1996 to 2007. But such belatedness may itself have underscored the

government's rhetoric, and driven supporters to the caricatures that became so familiar in *The Australian* newspaper, *Quadrant* and other organs from the 2001 onwards. This was associated with foreign policy servility to George W. Bush's Washington, as in the Iraqi War and Afghanistan, and weird extremes like the military intervention into the Northern Territory aboriginal lands, to counter child-abuse: 'coercive reconciliation', as it was aptly described.⁴ The over-identification of Howardism with the farther shores of Neo-Liberal globalisation meant that the latter's abrupt fall could not fail to be particularly disenchanting in Canberra.

It is also worth recalling that there had been a significant previous exploration of social-democratic possibilities for Australia, as in the Australian Council of Trade Unions' 1986 delegation to Scandinavia, Germany, Austria and Britain. Its report *Australia Reconstructed* was the 'most comprehensive policy manifesto ever published by the mainstream left in





Australia', as Andrew Scott has described it.⁵ Though its impact appears to have been limited at the time, Rudd's 2009 essay can surely be seen as a reprise of the same preoccupations and outlook, in the circumstances of 'GFC' disorientation. Unexpectedly, more effective possibilities of reconstruction had arisen compared with three years earlier: a world anchored to permanent-seeming parameters had been partly liberated, as well as ruined, by the 'GFC' crisis. And isn't Social democracy resurfacing as part of this dislocation: secular rather than religious emancipation from the constraints of zealotic ultra-capitalism?

Has God Moved House?

On the Godly side, it is relevant to note that Rudd had already (so to speak) paid his dues in advance. An earlier *Monthly* essay, 'Faith in Politics' (October 2006, N.17), described Dietrich Bonhoeffer as 'without doubt, the man I admire most in the history of the twentieth century'. This Lutheran theologian was also 'a man of action who wrote prophetically in 1937 that . . . there was no moral alternative other than to fight the Nazi state with whatever weapons were at his disposal'. Executed in 1945 after his support for the attempt on Hitler's life, Bonhoeffer is best known for his *Ethics* (1965) in which the idea of a 'religionless christianity' was presented as one feature of his theology of sociality.

Rudd does not of course claim that Howard's Neo-Liberal faith is a contemporary version of Nazism, against which martyrdom is appropriate. However, it plainly represents an orthodoxy that sought systematically to build up a quasi-religious 'church' of christian approval and *bien-pensant* morality – the kind of thing Bonhoeffer criticised in the German 'thirties as colluding with the ascending state power.⁶ No doubt the Prime Minister hopes to divert pious denunciations of social democracy

as incipient Godlessness from analogous quarters in Australia.⁷ And it must be said, Bonhoeffer's austere form of Protestant morality looks like a safe bet today, far removed from older suspicions about complicity in the 'ethic of capitalism'. Rudd clearly aspires to harness it against the ethic, not of capital accumulation as such, but of picturesque new fantasies sprouting largely from the luxuriant undergrowth of millennial Neo-Liberalism.

Republican Nation?

A much stronger aspiration inseparable from social-democratic renaissance is what Chantal Mouffe has called 'the return of the political' – of democratic agency.⁸ Following upon the demise of Leninism *and* anti-Leninism, a search for new political modes and ideas is inevitable. In Australia this quest must still be prefaced by an unanswered question: the Republic. However, that question can surely also be read as a great opportunity, a possibility representing itself not routinely but – for once – at something like the right moment. The catastrophic fall of both the post-World-War II Left and the reborn Neo-Liberal Right that defeated it in 1989, leaves blank spaces all around – normally discussed in terms of policy and 'post-class' ideology. These may take long enough to generate new responses, parties and leaders.

Nor is there any guarantee that globalization as such will speed up the process. Post-crash nationalism is bound to be more 'open-minded', conscious of tendencies elsewhere and of the impossibility of 'in one country' solutions to most such dilemmas and problems. More experimentation is needed, of the kind seen long in advance by theorists like Unger.⁹ But such developments take time, and are likely to pose new problems, and to bring failures and breakdowns. The multi-polar world required



for tolerable globality may need its own century of evolution out from under the debris of the early 21st. However, democratic republicanism looks like a general precondition affecting all trends of this 'post-GFC' globe; and Australia may be well-placed to take a modest, firm step forward in that general direction.

It tried to do so before, and failed. Yet surveys have established that most Australians would still prefer a Republic, albeit different from the model put before them in the 1999 referendum. Both Kevin Rudd and Malcolm Turnbull, leader of the Liberal Party opposition, are professed Republicans. Turnbull reiterated his support recently, but with a preposterous qualification: the move shouldn't be made until the personally popular Queen Elizabeth II departs the scene, and Australians are confronted with Charles III. Thus the Monarch's feelings need not be offended, while those of her son and heir don't matter: the easy way forward, with (in what could still be quite a lengthy meantime) Australian democratic sensibility disregarded. Can't Rudd and the Australian Labor Party do better than this? If the door is ajar, why not walk through it, and provide a *necessary condition* for the emergent structures of 21st century Social Democracy?

There's more at stake here than Queenly feelings. What counts isn't the constitutional formalities of republicanism and democracy: it's the whole inherited weight of the most negative side of the 'Anglo-Celtic' burden – its conviction that constitutional affairs are holy, best left alone, and mainly unrelated to real policies and grimy partisan politics. That's the belief that conservative reaction has always counted on in the United Kingdom, as a way of holding at bay not formal Republicanism but the true Devil, *the Republican spirit* – defiance, equality, resentment of the rigid ruling-class ethos manifested most clearly via the Monarchy, the aristocracy and its self-appointed successors. This spirit is still strong in Australia: and it's surely intimately related to the essential animus of democracy – 'Get the Scoundrels out!' For Australians to discard the vestiges of the latter might upset Royal sentiments; it could also do a power of good to the popular and democratic British spirit, as much in need of uplift as the electorate of Down Under. There will be those who declare all this is irrelevant distraction; but it might be advisable to look on the other side of the balance. Is Rudd's better version of Social Democracy really likely to come forth from a polity unable,

or unwilling, to break with the broken shell of an ex-imperial fossil, a whole century late in its departure?

We've always heard plenty about the duties and delights of internationalism, as distinguished from nasty, narrow self-regarding nationalism. But isn't this an *effective* step in inter-national relationships – in the 'cross-fertilization' that globality should foster? It's an expression of strengthened nationality in Australia, naturally; but one that simultaneously provides external, wider advantages – including contributions to other nations with analogous burdens and pressures. Just as Free Trade depended in practice on protection, so globalization is likely to depend upon the re-expression of nationality politics, rather than simply their suppression. 'Social Democracy' cannot be only a domestic ethos, a 'state of the nation': it has to be (or at least, to search for) a comity of relationships appropriate to that condition. Up to 2007, there was dread in many quarters that Globalization might turn into a world of Boris Frankel's Sadists, presiding grimly over 'Lilliputians' of all lands. Since then, burrowing has obviously speeded up, and I hope it's its possible for the new Global Imaginary to take it aboard: Mole-world or nothing, find other useful tasks for the mole-catchers, sadists and fundamentalists.



Notes

- ¹ See the 'Introduction' to *The Quest for Evolutionary Socialism: Eduard Bernstein and Social Democracy* Cambridge, 1997, by Manfred B. Steger. 'After all, time is the greatest revisionist . . .' Bernstein noted, and time has now demolished both of the poles between which social democracy used to be uneasily located, Leninism and the Anti-Leninism of last century's 'eighties and 'nineties.
- ² The best explanation of this theme is probably Emmanuel Todd's *L'illusion économique* (1998). His conclusion, pp.297-318, argues that what is



most needed is a leap forward out of economistic superstition, and a return of 'reasonable collective belief in the nation', as the framework of action.

³ Daniel Bensaïd has published an entertaining record of recent 'mole-ology' in his *Essai sur la Taupologie* (0000).

⁴ See the collection devoted to the episode, *Coercive Reconciliation* (2008), edited by Alison Caddick, Arena Publications.

⁵ See Scott's 'Social democracy in northern Europe: its relevance for Australia'. In the *Australian Review of Public Affairs*, vol.7, Number 1, October 2006

⁶ A good guide to this background is provided by Clifford J. Green's *Bonhoeffer: a Theology of Sociality* (1999), which examines his odd rendering of what was in truth a social-anthropological theory of humanity's societal essence.

⁷ The Howard Liberal-Coalition years were marked by something like an American resurgence of evangelical Protestantism, as in the amusing autobiographical account, Tanya Levin's *People in*

Glass Houses (2006), on the Hillsong Church movement. Boris Frankel's *Zombies, Lilliputians & Sadists: The Power of the Living Dead and the Future of Australia* (2004) gives a devastating overview of Neo-Liberalism at work in the Howard years. Though very far from the Bonhoeffer tradition Rudd values so highly, the Prime Minister probably can't help apprehending responses from the same direction. The 'reds' may be out from under the bed, and indeed making a new one; but 'fundamentalism' of all sorts remains reluctant to accept a new deal. Overground (institutional) churches and parties are invariably more conservative than shifting reality – they are, after all, principally devoted to anti-mole mining and the ruining of carefully-cultivated Identitarian lawns.

⁸ Mouffe's essays *The Return of the Political* () and *On the Political* () may be the best overviews of the wider turning-point here – the shift of post-Cold War direction behind, and between the lines of, Kevin Rudd's 2009 *Monthly* article.

⁹ See notably his essay *Free Trade Re-imagined* ().

