

IS A COLLECTIVE FUTURE STILL POSSIBLE?

Speech To Victorian Fabians Event “Is Neoliberalism Killing Social Democracy?”

Tim Lyons*

It is tempting to deal with the question posed by the organisers (*“Is Neoliberalism Killing Social Democracy?”*) by simply saying ‘it already has’ and then resume my seat.

Millions of words have been spent cataloging the decline of social democratic ideas, policy achievements, political parties and bedrock institutions (unions being the most important). Whether the illness was caused by something which can be usefully or accurately summarised as “neoliberalism” seems to me less interesting than asking what might be done to improve things.

For one, a more complex set of causes (including internal causes) seems intuitively more likely. To extend the illness analogy, perhaps it’s a case of co-morbidity: after all we adopted the language, some of the personnel and a tool-belt of bloodless “sensible-centrist” technocracy all on our own. In any event, I tend to dislike the term neoliberal as deployed in political discussions¹. It is used to encompass such a broad range of “things people on the left don’t like”, that it lacks any precision and therefore any meaningful analytical utility. It’s useful enough as a club, but clubs are mainly useful for rhetorical purposes.

(Incidentally, for much the same bucket of reasons I also dislike the term “progressive”, which implies a unity of purpose among people with fundamentally different visions for society in a way that is not just wrong, but dangerous. To “paper over the cracks” is, after all, a pejorative. And yes, perhaps it’s partly because of my own complicated relationship to the underlying questions – I was once called a “leftard” and a “neoliberal” by different people for the same tweet about climate policy.)

* Research Fellow, Per Capita and Director of Reveille Strategy a consultancy that works with Unions and other membership organisations to build new forms of power for workers and communities. Former Assistant Secretary of the ACTU. tim@reveille.org.au

¹ Deployed following careful and clear definition, and in the absence of a more precise alternative, it has utility in some contexts, as Prof Yeatman’s contribution to this seminar demonstrates.

With (as an example please use your own) the French Presidency now officially down to Finance v Fascist, rather than dwell on causation *per se* the more useful and urgent task is to debate the praxis and the program necessary to respond to where our society and the world is now and is headed.

The good news is that what remains of the core architecture of western social democracy remains widely popular with the public: witness Trump voters terrorizing GOPers at Town Halls about Congressional threats to Social Security (the crowning achievement of American liberalism) or the fact that single-payer Government healthcare is politically sacrosanct almost wherever it exists. The further good news is that people are generally very good at identifying the things they don't like about what "neoliberalism" has done, even some the ones that vote for people like Le Pen, Trump and Hanson² and almost all of the poorer people who decline to bother to vote for candidates like Hillary Clinton: broken communities, underemployment in insecure jobs, bad or non-existent services.

Dealing with the future of social democracy does involve responding to many of the things people complain about when they use the term "neoliberalism" - an individualized, atomized and financialised society where markets dominate and are more often rigged by governments than regulated by them, a society with rising inequality and privatised risk.

What I will do now is begin³ to answer the question: is a collective future still possible?

Being what I like to think of as a cynical optimist, my answer is yes. But only if we accept that, because it will have to deal with different problems in a different society, it necessarily (in its policy prescriptions) will not look much like traditional social democracy. And even then, a collective future is possible only if we deal properly with questions of power, civil society, politics, policy, and technology.

First, we must cheerfully (re)embrace that this is all about power. I routinely go back to Polanyi's classic definition of the social democratic project: the conscious subordination of the market to democracy⁴.

² Many others are economically comfortable and just plain racist.

³ This is not an exhaustive account of the issues I consider important.

⁴ Karl Polanyi, *The Great Transformation* (1944).

We are without the time to unpack that statement entirely, and so I focus on one word: subordination. This is a word about power. The project is about democratic institutions (of the state and civil society) acquiring, using and maintaining a power over what would otherwise be the over-whelming power of market actors.

It seems to me that somewhere along the way social democracy became embarrassed that its project requires the acquisition and use of power for democratic and egalitarian ends. This involves challenging powerful forces and acting against their interests. They fight back. Too many on our side seem to regard this whole process with distaste, as if politics was just about the best ideas. Others have called this something like “West-Wing Syndrome” after the TV show, but I prefer “Evidence-Based Policy Disorder”. But it is never enough to be right and if the smartest guy in the room has no connection to power he’s just an annoying smart-arse.

Our permanent and occasional opponents have no such qualms. Capital has the profit motive to keep it disciplined, focused and ruthless. Political conservatives and reactionaries have a fundamentally different pathology of power, which is clear enough from their actions towards adversaries when in government and the fact much of their program has the cadence of an Old Testament prophet; a language of judgment, punishment and reward only for the good. As Corey Robin put it, the “animating purpose” of conservatism was to be “a mode counter-revolutionary practice” that defends existing hierarchy and non-democratic power⁵.

In Australia, the Coalition makes no concession whatever to our policy positions, or to the legitimacy of our institutions (like unions or even industry super funds) or to our personnel (routinely purging even the most distant fellow traveller). It’s like the Prisoner’s Dilemma but only one side is still co-operating.

Second, social democrats need to understand that rather than being able to rely on the support of strong pre-existing civil society institutions and the customary loyalty of something close to a plurality (if not a majority) of voters, one of it’s goals must now be to help create the space for people to organise into new forms of collective that speaks to their interests and lives now. As I’ve written about elsewhere⁶, solidarity and collective action is a

⁵ Corey Robin, *The Reactionary Mind: Conservatism from Edmund Burke to Sarah Palin* (2011).

⁶ Tim Lyons, *Solidarity and self-interest in the future of unionism*, Eureka Street ([Link](#))

learned habit that people, and whole societies can lose – rebuilding it will be hard but is vital. The political party then will be one element of a network that has power in aggregate, that lets people help themselves, not the controlling mother ship from capable of issuing commands that bend society to its will.

Three examples. The present institutional form of unionism is not its only possible form. Its current form was a function of economic activity as it was arranged 120 years ago and remains in that form now partly as a legacy of statute law. Likewise, state ownership or the private joint-stock company are not the only way to organise economic affairs (and neither really dominated until the 20th Century). What is the space social democracy can create to allow co-operatives or other forms of economic actor to be formed and prosper? Why is our corporate tax system structured so as to favour debt (provided by banks) over equity for example?

This overlaps with the way we do politics. Just as we haven't seeded, built and supported new forms of collective organisations and participation, we have limited our political engagement with the community to occasional *shallow mobilisations* rather than *deep organising*. A confronting new book on US Labor⁷ analyses three possible approaches to social change: advocacy (based on having the best ideas), mobilising (utilising generally the same part of a base to periodically take actions on issues or campaign) and organising (which involves building a permanent and much wider movement for change).

In Australia we are pretty good at the first (well-argued papers are legion, I've written some of them myself), we occasionally pull off the second (in opposition to something, never to move forward) and don't even really try the third. We need to understand and embrace the role all three play.

Which brings me to public policy. There is something of a running joke among younger left-leaning policy wonks in Australia that when any given policy problem is realised, within a few moments someone will suggest a solution involving income contingent loans⁸. This will probably be followed promptly by someone raising vouchers and a contestable market.

The joke demonstrates the extent to which our policy class has internalised the logic of markets, and reach for it as the solution regardless of whether it's appropriate. Nowhere

⁷ Jane McAlevey, *No Shortcuts: Organizing for Power in the New Gilded Age* (2017)

⁸ Perhaps we can call this Chapman's Law, after the creator of HECS.

is this starker than in the design of the NDIS: an individualized voucher system where disabled people buy services in a contestable market supervised by Government. A system that is falling apart even as they are still building it. A system that, I confidently but very sadly predict, will be the subject of a Royal Commission in not too many years that will hear evidence of waste, profiteering, abuse of vulnerable people, and appalling labour market outcomes for the workforce involved.

Similarly, I am deeply unconvinced by the push, supported by an increasing number of people on the left, for a Universal Basic Income. It is of course, originally a right-libertarian prescription, which would allow for the state to be dismantled, as all would have an income sufficient to access what they need in a market. It is not a proposal supported on the other side on the basis that it's "as well as" the welfare state but rather it's explicitly intended to be "instead of". UBI also makes no sense using a power analysis – imagine a world where we had enough power to re-structure the tax system to collect the revenue (billions of dollars in additional taxes on capital and very very high marginal rates of personal income tax at the top end) to fund a UBI. Is it really the case that what you would do with the money is cut everybody a cheque?

Longing for the days when the levers of national government were enormously powerful is pointless. Tinkering around the edges and cleaning up after some of the mess capitalism makes will not do either. But not doing stupid things that make the situation worse, or which merely illustrate a policy impotence in the face of modern challenges, is also a necessary thing to achieve.

But we must also, as I've argued elsewhere, need a wider conception about what prosperity means that is not post-material, but puts things like livable of cities, public space and yes, even that old industrial claim of an entitlement to private time to do with as we wish, at the center of an agenda.

So to information technology, which I fear has fundamentally anti-democratic consequences unless we learn how respond. I speak here, to use efficient if imprecise buzzwords, of big data, machine learning and AI.

This is not a mere privacy concern, although there are obvious issues there. That the principle examples of an Australian progressive (sic) response to these issues has been in relation to narrow or largely imaginary privacy issues (an absurd push to get people to scab on the census and a largely meaningless series of stunts by The Greens on meta-data

retention) is sadly indicative of how far behind left politics is in understanding much less responding to the issue are. Rather, I refer to the fact that technology is producing unprecedented ability for governments and corporations to develop highly detailed and ever-more accurate models of individual motivations, behavior, preferences and the trajectory of a person's life. To use a smartphone is to subject yourself to continuous psychometric profiling – you create an intimate portrait of yourself.⁹

Deleuze talked about the emergence of a “control society” where we are governed by invisible rules like our web browser history, electronic medical records and credit scores. In many parts of the US police are dispatched to citizens houses (usually people of colour) to warn them that a computer model says we are likely to commit crime. Any number of pop-science books with titles like “*Weapons of Math Destruction*” warn of what mischief opaque or totally secret algorithms can cause to individuals and communities including by hiding discrimination that would be unlawful if done openly (such as denying people services)¹⁰.

A remarkable recent book on what computer science calls virtualization said that “the cloud, as an idea, has exceeded its technological platform and become a metaphor of the way society organises and understands itself.” The data in “The Cloud” redistributes existing and creates new forms of power, for both corporations and governments, but with the “topography of power” related to networks as much as sovereign borders¹¹.

Beyond credit scores, the realm of finance (which I have not had the space to discuss) is important here. There is a tapestry of tech and money woven tightly together blanketing our lives. Sometimes this is joint ventures, sometimes its tech firms becoming almost shadow banks (with all the attendant risk and none of the prudential oversight). We know this from our own experiences of Apple Pay or PayPal and the rest. In China, Tencent WeiXin, Baidu and Alibaba¹² are all at the center of digitising consumer and small business banking and finance. Meanwhile, even where tech is potential threat to the, global banks are moving to try an standardise (i.e. monopolise, as they did with EFTPOS and credit card systems) the use of block chain technology which might otherwise make redundant their role in managing counterparty risk.

⁹ *The Data That Turned the World Upside Down*, Motherboard ([Link](#))

¹⁰ Get it? As in “WMDs”. See Cathy O’Neil, *Weapons of Math Destruction*, (2016)

¹¹ Tung-Hui Hu, *A Prehistory of the Cloud* (2015)

¹² Often described in the West, with enough accuracy for this purpose, as “Chinese Facebook”, “Chinese Google” and “Chinese Amazon”.

I have some practical experience of using a range of this new technology in a political context having worked on projects that utilised detailed demographic models to target sub-groups of workers (and voters). Among other things, this enables messages to be sent or tailored content to be served to highly specific groups and even geo-targeting by isolating as recipients only people that match the model receiving a signal from a specific mobile phone tower. The results are encouraging. Sadly of course, anything we have they have more of, because they have more money, and money buys strategic capacity. And not just corporations. To illustrate, essentially the same rig we used on that Australian pilot is being used by US pro-life groups to target the mobile phones of women of relevant ages near abortion clinics.¹³

There is some debate about the extent to which using big data modeling to serve targeted messages to individuals, even if that explicitly contradicted messages to others, was a big part of Trump's win¹⁴. It is clear that there is an emerging capacity for what you might call "Bespoke Demagoguery" where each individual is served a diet of content from candidates individually tailored to their prejudices and preferences. At some point this becomes the antithesis of a democratic, collective process. It fundamentally different to stressing different policies to different voters. Even before the possibilities of "fake news" and voter suppression are considered, this removes and sense of politics being about a collective process and a national (or local for that matter) project. It's only a "national conversation" is there is versions of the one conversation, otherwise it's a "nation of conversations."

At a policy level the micro-modeling of individuals has the potential to destroy the last of our social solidarity, the sense that we are all in it together and collectively managing risk and cost. You are prone to hear cartoonish libertarians complain about "paying for other people's healthcare" for example. The new technology brings their preferred dystopia potentially closer. To take an example, some people of health and means can self-insure against risk, or at the very least pay a tiny premium of some kind for catastrophe insurance. Similarly, the risk of unemployment is not the same for all us. The time will shortly be with us where a serious political push, based on "you are paying for others and you don't have to", will be made to dismantle the architecture of collective risk management and privatise it. The same will be used to block any attempt to managing newer or emerging risks (like

¹³ *Anti-Choice Groups Use Smartphone Surveillance to Target 'Abortion-Minded Women' During Clinic Visits*, Rewire ([Link](#))

¹⁴ *Why the Trump Machine Is Built to Last Beyond the Election*. Bloomberg ([Link](#))

extreme longevity or widespread technological unemployment). To return to my UBI skepticism for a moment, you can see the libertarian ideal of everyone buying what they need in the individualised market, tailored precisely to their needs and without any role for our commonwealth, but with diabolical consequences for those of us unlucky enough to need collective risk management. Will your UBI stretch to cover a cancer diagnosis?

It is not overstating the case to say that a principal locus of our activity to “consciously subordinate the market to democracy” must be the algorithms.

A collective future is both necessary and possible. What we don’t like about neoliberalism can be beaten back. But only if we accept that it will not look like the old one. And it will only come if embrace power, if widen our conception of collective organisation, if we abandon tinkering and failed policy solutions, if combine mobilizing with real organising, and if we deal with technology.

Thank you.