With socialism in eclipse and social democracy in disarray, liberalism holds the political field. But is this all bad? Mitchell Dean argues that a social liberalism might form a productive basis for a renewed progressive politics.

The State and the Revolution. Over the course of the 20th century radical political thought has been mesmerised by this, Lenin’s couple. On the one hand, the State: the ‘coldest of all cold monsters’, the locus of cruelty, violence, and domination, that nevertheless would provide for our welfare ‘from the cradle to the grave’. On the other, the Revolution: the event that conquers all inequality, exploitation and alienation and brings with it the purity of emancipation. If today no one really believes in any of this, then surely it is time this was manifest in our political reason. It is with this in mind that we should seek to engage in the task of reflecting on our position in relation to the political and historical moment before us. It is my argument here that to realise the full implications of a political reason beyond the State and Revolution we must examine something radical thought is used to regarding as its enemy, liberalism. More precisely, we should examine the unique political inventiveness of liberalism.

There are two parts to this problem of political reasoning. The first concerns the nature of the present—not only its limits but its possibilities. The second concerns how we derive a political stance from the present, and what resources we use to do it. Neither of these tasks is easy. The first is perhaps easier than the second, so let me start with it.

What are the notable features that constitute our political present? The first and most visible manifestation of the historic change of this present is the collapse of communism in Europe. At the end of 1992, this is now almost prehistory. Yet it is important to recall its overwhelming significance. It may be that this event has wiped the Revolution from the political agenda of western democracies, but that is not its most important legacy. Rather, it has posed problems that socialist thought has not been able to address: of ethnic confrontation and violence, civil war, the collapse of the rule of law, of refugees, of social and economic reconstruction in post-communist society, and so on. It has also reminded us of a theme that is the staple of all variants of liberalism: the limitations of the state.

Second, we should also note the stagnation of social democracy and the policy dominance of neoliberalism within western democracies. The endemic problems of the former are perhaps the most worrisome component of our present. The limits of the state are posed in epic form in the collapse of communism in Europe. The silent failure of those strategies that claimed to steer a ‘middle course’ between capitalism and socialism is, if anything, more disturbing. Social democracy sought to underpin the inequalities of the market with the equality of citizenship but failed to take heed of the fragile dependency of state-guaranteed social rights on continued economic prosperity. With the end of the latter, it was almost inevitable that these social rights would be sacrificed. The failure of social democracy leaves the western democracies, like Eastern Europe, without obvious intellectual and political means of social and economic reconstruction. In short, social democracy has failed to ‘keep hope alive’, to borrow Jesse Jackson’s phrase.

Neoliberalism, by contrast, has sought to create a new ‘economy’ of government. This is not simply in the narrow sense that it seeks to
minimise public expenditures, as has been noted by most of its critics. It is rather that it aims both to 'economise' government activities and agencies and to 'governmentalise' economic activities. Thus, the public sector now finds itself subjected to quasi-economic norms of efficiency and productivity and private corporations, community organisations, families, and even individuals become enlisted as vehicles of governmental objectives. In its capacity to enlist such agencies in governmental objectives and to 'act at a distance'—notably through the 'enterprise culture' and 'entrepreneurial self'—neoliberalism reveals a political inventiveness that has outflanked both communist and social democratic versions of socialism.

Third, moving our gaze from political ideologies to wider issues, there is the globalisation of the world economy, the changing international division of states, and the decline of the capacities of the nation-state. This, of course, raises the plethora of macroeconomic, industry, trade, and foreign policy issues which are receiving an airing in Australia at this moment. In such a context, the limitations on the nation-state are real, not theoretical. Consider the widely-accepted consequences of the pattern of low growth and external debt in the absence of the capacity to raise levels of taxation. Consider also the internationalisation of the financial markets, the massive growth of trade between countries (and the relative decline of trade within countries), and the role of multinational corporations.

Fourth, and by no means least, our political present is constituted by the decline in the relative standard of living in previously affluent countries (like Australia) over the last decade or so. Increasing inequality, long-term unemployment, and rising lev-
els of poverty are the base line of our political present. If anything is a testimony to the success of neoliberalism it is that it has ensured the political acceptability of previously unacceptable levels of unemployment and poverty. This alone might suggest that liberal and neoliberal political discourse and modes of government are worth examining rather more seriously than has often been the case on the Left.

This brings us to the problem of deriving a political stance from this situation. It is perhaps easier to list the limitations on that stance rather than the potentials of the present. The Revolution is no longer, if it ever was, a feasible component of a political stance. This is not to say that one should rule out the possibility of mass uprisings of the Left or Right in western democracies, but simply that it is unlikely that such events would remove the problems that incited them. For our purposes, the problem of the practice and limits of government will still remain. As indicated above, there are also problems with resurrecting social democracy and its emphasis on state redistribution founded on economic growth. Similarly the pursuit of neoliberal policies over the last decade should have convinced all but true believers that the market is unable to solve the equity and distribution problems it creates.

The problem of how to define an effective political stance at this moment is, then, confronted by a dual limitation. It is confronted by the absence of viable available models and a certain urgency of adopting a stance. I qualify the latter because it is far from clear that having a political stance will be of help in solving current ills. A relatively coherent political stance would, however, be able to act as a counterpoint in a present in which historic change is in danger of being driven by the world financial markets and in which odious forms of racist and reactivly nationalist political activity are again on the rise.

The position I believe we should explore will no doubt seem controversial for some readers of ALR. I think we should look seriously at liberalism and its variants for guidance in the kind of stance we can adopt in the present. There are several reasons for this. First, I would suggest that liberalism has become coextensive with effective political discourse. To discuss politics today is to talk the language of liberalism. In considering this language, however, we should be careful not to underestimate the historic varieties of liberalism or, more particularly, to efface a deep division between what might be called economic liberalism and social liberalism.

Second, liberalism is much more heterogeneous and capable of political invention than socialists have given it credit for and today's neoliberals believe. Socialists have typically felt that the state and public administration were either irredemably located inside the contradictions of the logic of capital (and thus doomed to eventual failure) or inherently neutral and capable of being taken over for good and virtuous purposes (replacing the 'administration of men' with the 'administration of things'). What has not often been noticed is the degree to which liberalism has recognised something of the paradox of a capitalist government and sought to invent ways of reconciling what socialists thought to be irreconcilable. It is precisely this solid body of historical effort, both extraordinarily innovative and persistent to our day, of attempting to govern the ungonvenable, of attempting to provide a rationale for the paradoxical government of a market economy that we should not leave unnoticed.

Third, and perhaps most importantly, it is also worth underlining that liberalism is as much a reflection on the practice and art of government, on how to govern, as a political philosophy or doctrine. In contrast, socialism has tended to develop a political philosophy but not an independent reflection on the practice of government. This is why socialism aims to make the state a neutral instrument that can be used to different ends (social democracy) or something that will eventually wither away (communism). This is not to say that socialism has displayed no political inventiveness. However, this has tended to be restricted to the government of things in the belief that if this were done properly people would automatically be able to govern themselves.

Despite their differences, variants of liberalism are united by two features that are perhaps the source of this persistent and elaborate inventiveness: the doctrine of limited government and the attempt to install freedom and autonomy as central political virtues. I would argue that both features are clear components of what has made liberalism an enduring and effective form of political reason. The notion that there are limits to government is extremely powerful. It means that there are other forces and features of the political and social landscape that are external to government and which government must attend to if it is to be effective. It also requires political thought to define what constitutes the agenda of government and which features of the landscape must be taken into account. Importantly it must consider how these features operate and consequently what type of governmental action is appropriate to that operation. This non-governmental terrain has been variously thought of as 'civil society', 'the community', 'the economy', and so on.

The problem with neoliberalism in this respect is not that it seeks limits to government, nor that it conceives that which is external to government as an economy. It is rather that it fails to define the limits proper to 'the economic'. One fundamental way in which those limits have been defined for the last two hundred years is through what might be called 'the social'. As I shall argue in a moment, the social—the field of activity and thought associated with the realisation of the well-being and meeting the needs of members of the population—also presents limits and potentials for government.

I argued previously in ALR (ALR 138, April)
that freedom is a key term in our political reason. Another virtue of variants of liberalism, and another cause of their practical inventiveness, is their attempt to base their actions on a notion of 'the free subject'. The 'free subject' does not have to entail the full classical notion of the self-governing individual. Rather, it simply entails the recognition that the subject could 'always act otherwise' and that government ignores this at its peril. Liberal forms of government seek to act upon the subject not by means of domination or subjugation but as a 'free subject'. This is an elementary way of defining the ethical limits to government. And it is through the practices of government that types of citizenry are formed—that is, that definite modes of the conduct of life are promoted and shaped.

This is not to say that the idea of freedom has any necessary content beyond this elementary supposition. It may be possible, however, to distinguish broadly between political, economic and social freedoms. Political and civil freedoms of expression, assembly, and suffrage are evidently quite different from one form of economic freedom, the freedom from constraint in the market. These political freedoms are freedoms to act in a certain way, positive freedoms secured by political and legal institutions and thus quite different from the negative market freedom. In this political freedom is like another economic freedom, the freedom from poverty which, although expressed negatively, requires definite institutional conditions (social security benefits and insurance, the provision of subsistence) in order to be fulfilled. In all these cases, the practice or art of government is to create (whether negatively or positively) the conditions that allow types of action. Social freedoms are different in this respect; they depend upon the use of socially developed capaces which are only available through the elaborate provision of things such as education, health-care, and community services, and so on. They require a much more complex and difficult process of the governmental formation, shaping and fostering the attributes of subjects.

As can be seen from these examples, the institution of freedom as a core political virtue is not necessarily opposed to considerations of social justice and equity. It is certainly not opposed to governmental actions which form and foster the capacities and attributes of citizens. Indeed, 1940s liberalism, animated by the ideal of the welfare state, recognised the need for governmental provision and a degree of equity and social justice as a condition for realising the potentials of individuals both in the market and in their lives more generally. But this may be too narrow a view. For a liberalism which stressed social freedom would not oppose governmental action to the actions of the free subject, but would presumably see both as the mutually necessary presuppositions for the other.

This brings us back to the problem posed above of the limits and potentials of government conceived by liberalism. For neoliberalism these are largely thought of in economic terms. The economy is that which is outside the state. The economy is not a part of the formal apparatus of government; nevertheless it provides the rationality by which government is to be made accountable and a means by which governmental objectives can be secured. What is interesting here is not the actual reality of 'the economy', or the correspondence (or lack of it) between political doctrine and economic reality. Rather, what is interesting is that 'the economy' is a component of a particular type of political thought which enables specific governmental actions and interventions to be undertaken and policies to be formulated. It is one way of rendering what is governed governable, of defining the limits and possibilities of government.

It may be said that neoliberalism thus cuts itself off from a host of other aspects of reality, from the needs of specific social groups, and from the irreducible reality of society as a whole. More significantly for present purposes, however, neoliberalism severs itself from another influential way of constructing that which is to be governed: 'the social'. By 'the social' I mean all those practices, political ideologies, associations, and actors which have been formed in relation to a knowledge of social groups and segments of the population, their wellbeing, their needs and security. I do not mean society as a whole but a sector in which actions and interventions give rise to, and are facilitated and directed by, a social rationality and a social ethics.

The attempt to anchor government in the complex and troubled element of the social, the attempt to form a 'social government', has its own irreducible history, one that overlaps the trajectory of liberalism. Thus one could trace the 19th century development of the social through the effects of industrialism or urbanism and the formation of the 'social question' concerning the living conditions of the new working populations. One could also trace the social through the myriad medical and educational agencies that sought to intervene into and on behalf of members of families, through the development of group solidarities and communal loyalties, and through the rise of philanthropic, religious, ethnic, class and other social and political associations.

It was on the basis of the social that liberalism often sought to undertake its own critique. Thus the 'social liberalism' of the end of the 19th century sought to invoke the notion of an organic society which was inevitably progressive and rational, and which would secure positive freedoms. The ethical state, committed to developing the ethical personality of its citizens and operating through their participation, would be the vehicle which steered this happy course. The 'social liberal' perspective does not require ignoring economic issues and problems or subjugating them to moral outrage of the religious or humanist type. Forms of 'social liberalism' have sought to define the limits and practice of govern-
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It is indeed tempting to look back to the Keynesian-welfare state form of government for guidance in what amounts to our hour of need. But, for reasons I have suggested above, such political nostalgia is ultimately ineffective. Whatever else, neoliberalism is surely correct when it asserts that it is not possible for the state to solve all our problems. This is not to argue for a minimal state. However, a condition for the increase in public expenditure today is an increase in the revenue base of the state. As that is unlikely to come through economic growth, it will have to come from increased taxation. But how will support be gained for this? I would suggest that this could only come with a renewed sense of the 'social economy' of government as one which maximised capacities and freedoms and minimised domination and constraints. Any effective political stance can only come from a position that takes into account the aspirations, desires, needs, and choices of individuals and families.

How is such a political stance to be distinguished from neoliberalism? It is no longer helpful to invoke an organic community or the ethical state after the manner of old-style social liberalism. Rather a new social liberalism may be distinguished by the active attempt to invent ways in which the limits and potentials of government, and the capacities and life-chances of individuals, are defined according to a social rationality. This invention would entail a social economy of governmental practice. It would follow 19th century social liberalism in stressing the role of government in the ethical formation of the citizen. It would undoubtedly draw upon the vast intellectual, political and technical resources of what I have called the social. It might follow the invention of people themselves and extend the notion of government beyond the state to self-governing associations. In short, one thing seems clear: both a renewed discourse of social reform and a renewed social invention are more likely to emerge from a liberal critique of liberalism than from any other source.

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