MARKET FORCES

The Left, the New Right and the Market

David McKnight

The left should be taking the appeal of the New Right seriously. And it shouldn't ignore the positive commonsense images of the market which underly it.

Is the Left complacent about the threat posed by the New Right? Does it understand the basis of its appeals? More importantly, does the Left realise that its own way of thinking needs updating in order to understand and successfully oppose the threat posed by the New Right?

Among leftwing and radical people there is a school of thought which sees conservatism as essentially a simple and easily understood phenomenon. Conservatism functions as an ideology of the rich, privileged and dominant members of society. It disguises its defence of privilege in a number of ways, by speaking instead of the national interest, the good of the economy, the flag, the family and even the unemployed and the poor. The bottom line, so the assumption runs, is that non-rich, non-privileged or subordinate people have no real interest in what conservatism puts forward, nor is there any value in serious study of conservative thought because, put simply, “they’re all bastards anyway”. Why bother with profound study of the philosophical and political differences between Ian McPhee and John Howard when, at bottom, they’re as bad as each other.

Some take this a step further, arguing that those who ring the alarm bells about the New Right have a Machiavellian intent to cover up the sins of the Hawke government by crying wolf at the “greater danger” (which is not much different from a rightwing ALP government, they imply).

Another response decries the label “new”, arguing that its philosophy is not new at all but was, in fact, practised, at great human cost, in the earliest days of capitalism. Decrying the “new” label effectively counters the purpose of that tired word, a stalwart of every advertising agency which ever wanted to revive an old product. But all these approaches beg some questions: why does a growing section of conservative thought feel the need for an atavistic change in its philosophy at the cost of a highly public brawl between wets and dries and among employers who are by no means united in support of the New Right approach to industrial relations? Why does a philosophy which benefits the rich and powerful also strike roots among the un-rich and un-powerful?

But, most importantly for the purpose of this article, most left responses to conservatism, on their own, relieve the Left of any need to study the weaknesses of its own view of politics and its own philosophy – weaknesses which are being exploited by the New Right. Why does the Left and mainstream labour movement seem...
unable to counter the slow drift to the right?

While the latter question is crucial to politics today, too often the knee-jerk answer is to blame the Hawke-Keating leadership of the ALP whose strategy is a pragmatic mixture of compromises with, and out-bidding of, the New Right. This response contains more than a grain of truth, but the Left rarely examines its own inability to respond adequately to the New Right critique of state regulation and its argument for market determined outcomes in economic and social policy.

Socialism's heritage is intimately involved with state regulation against the brutality and irrationality of the market. The "golden age" of the free market was, of course, nineteenth century England, which saw children working in the mines, and men and women working fourteen (or more) hours in ill-lit, dirty and exhausting manufactories.

In common with the enlightened rationalism and cult of science which emerged alongside the industrial revolution, socialism supported notions of the perfectability of humans and their social institutions. "Natural laws" did not decree that humankind was doomed to be composed of millions of ignorant labourers and a tiny elite of wealthy, cultured rulers.

The early socialists and trade unionists aimed to improve the conditions of labouring men and women by regulation through combinations of workers called unions, and through state intervention. Socialism would be achieved by a political party of workers winning or seizing the state to institute this. Resources would be co-ordinated and distributed rationally, the economy planned and the education of workers by the state would see a new age dawning.

Socialism itself would have arrived when the means of production were in the hands of the whole people — that is, the state.

These conceptions, at various stages, spanned mainstream social democracy, Fabian socialism and those who believed a social revolution was necessary to end exploitation and win socialism.

But, today, people in general, as well as the Left, have a long experience of state regulation, trade unionism, the operation of the market, and attempts to create socialist societies.

The various functions of the contemporary state in advanced capitalist societies can be emphasised quite differently according to one's political predilection. For some socialists, its monopoly of force in defence of the capitalist social order is the main feature, though it may only appear in the long term. For others, it possesses regulatory functions to curb exploitation and promote social change in the short term.

Yet the state is much more than this. It is a major employer, employing about one in four Australians. It is a major provider of services judged necessary for civilised life: education, health, transport, communications, water, and so on.

The importance of this is that the mass of the population are consumers of state services and the New Right wins support by posing as the upholder of the state consumers' interest and carving out a new constituency for itself. It speaks to people at large, whom the Left define as "workers", as consumers of state services, consumers of goods whose prices are affected by tariffs, as parents of children at state schools, as users of health care, as potential victims of crime, as telephone subscribers, and even as consumers of trade union services.

Against the traditional populism of the left and labour movement which had its hey-day from the time of the Depression to the Fifties, the New Right represents the modern, rightwing populism of the consumer society. (Bjelke-Petersen's populism is different again, with roots in the same conditions and period which saw Labor and the left build a worker-small farmer populist base in Queensland which lasted until the late Fifties.)

A great many things could be said about the Left's attitude to the modern state but, practically, for many on the trade union based left, the state is an employer. The struggle of nurses, railway workers, teachers and other public servants are industrial struggles in much the same way as other industrial struggles. Thus, the New Right's call
for cutbacks may materially affect the livelihoods of thousands of trade union members, an issue on which the Left in the unions can make common cause with the centre and right.

While the many far-sighted unions have long tried to express their interests in ways which benefit the consumer (better schools, health services, etc.) most unions don’t. Mostly, this stems from narrowness and conservatism, but it is debatable whether there is ultimately an identity of interest between state workers and consumers of related state services. At least, in terms of traditional industrial activity, such as strikes, the interests are diametrically opposed. But what of more common conflicts?

An example was the clash, some years ago in NSW, between nurses and health workers defending their jobs and opposing the closure of inner-city hospitals and the “transfer” of beds to the western suburbs. More hospitals, not transfers and closures, was the answer, it was argued. On the other side were local councils and a popular feeling that the west was hard done by regarding government services.

In the end, the NSW Labor government apparently brought about an overall reduction in hospital beds in Sydney, while giving the west better access to hospitals. The point, for our purposes, is that the Left tended to construct its political view based around jobs in the public sector, rather than in terms of overall health policy.

Yet, for a primarily political, not industrial, force like the Left, an overall view which entails recognising and resolving contradictory interests is essential if it hopes to project an alternative which are recognised by people at large who see things in more contradictory and complex ways than is reflected in slogans such as “defend Medicare”.

Unless it recognises the complexity of reality and appreciates most left responses to the New Right relieve the left of any need to study the weaknesses of its own view of politics and its own philosophy

vision of society.

Another example worthy of note is the recent push for the privatisation of Telecom. The argument which won the day was not that which argued that it was in the blatant self-interest of would-be private owners of Telecom (and would cost many jobs), but that which mobilised rural Telecom subscribers (and hence National MPs) who benefit from cross-subsidisation because it is a state-owned monopoly.

From another angle, in defending Medicare against the far right charges of “nationalisation”, the Left has rarely acknowledged that state-run health insurance is part of the impetus for corporate superclinics, for more technological medicine, for inflating doctors’ incomes and for outright fraud.

Again, my intention is not to undermine the defence of Medicare, but to point out some of the unintended consequences of forms of state intervention— consequences some of the contradictory effects of state intervention, the Left can be portrayed in such circumstances as a high taxing group uninterested in criticism of bureaucracy.

The crucial point about the Left and the state is this: by automatically defending each and every aspect of the public sector, it gives implicit support to the assumption that socialism will be bureaucratic, unresponsive and inefficient.

The most positive part of the Left’s attitude to the state has been the development in the last decade of “workers’ intervention” and corporate plans in which the workers take on the job of saving the public sector from itself. That means transcending the narrow style of trade unionism which only thinks about “the members’ interests” to thinking in terms of reorganisation of the public sector in the context of overall social policy.

Another part of the left sees this as suspiciously close to “reformism”— reshaping the state gradually. An
interventionist strategy does involve a changed attitude to the state by the Left, but it's a change which recognises that the character of the state is far different from the days when the texts of insurrectionary socialism were drafted. This was a period, particularly from the turn of the century to 1945, when Europe was convulsed with economic depressions, world wars, and several revolutionary insurrections. This views of the state is a conception of the market which sees it as incapable of producing any social good. A significant challenge to this comes, perhaps surprisingly, from the USSR where instilling a degree of accountability to the public and consumers through the market is a central part of the recent reforms announced by Gorbachev and others.

If we take at face value the need for such market mechanisms in such countries, how much more so must a western conception of socialism be market-based? And if this is so, it poses a problem for the left, does it say capitalist markets are wholly bad and socialist markets are good?

Well, the answer is probably "no" because the distinction which appears to exist in the question is blurred in practice. Socialist markets can also deliver socially undesirable results like bankruptcies, unemployment, high prices for scarce commodities and so on.

The Left's classical critique of the market is well based. In a market, competition leads gradually to the prospering and survival of the biggest and most powerful forces and ultimately to monopoly. Social needs are by no means likely to be met, and humans who work for wages become mere factors in production and are treated as such by employers.

But while the market ultimately leads to oligopoly or monopoly, on the level of a national economy, it means something completely different in the experience of ordinary people and at the lower and more competitive levels of an economy. Within limits, it can even mean what the New Right says it means: encouraging diversity, innovation and, to a degree, freedom of choice.

Take the example of shopping. One of the most powerful images against "actually existing socialism" is that of the queue stretching around the corner, and of the inferior products which sometimes await consumers at the end of the queue.

What Gorbachev's planners seem to have concluded is that there actually is a link between abundance and choice of consumer goods on the one hand, and the market mechanism on the other.

Stuart Hall makes a similar point about the West: "(T)he left has never understood the capacity of the market to become identified in the minds of the mass of ordinary people as fair and decent and socially responsible (that it never was) but as an expansive popular system".

"Another reason for the Left's resistance to cultural change probably derives from the belief that the market has delivered most — as it usually does — only to those who already have the market advantage of wealth, power, status and
influence: the sense that what we have been talking about is, for the majority of ordinary people, beset by the harsh necessities of life, a minority experience. But is it? It certainly wasn’t in the long boom. And while the recession prevents the mass of people from participating to the same degree on a regular or stable basis, it certainly does not prevent them from wanting — and often having — not yesterday’s but today’s goods for themselves and their children.”

An example which Hall uses, the rapid spread of video cassette recorders, is particularly pertinent to Australia which has one of the highest rates of ownership in the world. And VCRs are only part of the electronic paraphernalia which has not only been delivered to an eager working class during a recession but also, for a period at least, at continually falling prices.

What has the New Right to do with this association of consumer goods with the market? Hall again: “The intention of the radical Right which has been most penetrative has not been the conversion of the masses to the religion of the market and unemployment. Rather, it has been the subtle capacity to identify the positive aspirations of people with the market and the restoration of the capitalist ethic, and to present this as a natural alliance.”

Similarly, the redefinition of freedom, involving linking it with a market-based conception of freedom, is one of Thatcherism’s remarkable successes, he says. The point is that, in the ‘thirties and Forties, the Left was able to make a logical and natural connection between people’s aspirations for a better life and the Left’s program for state intervention. Today, a similar struggle is being waged by the Right for opposite ends.

Part of the reason for the Left’s loss of the initiative must surely be that when relative affluence did arrive for sections of the people, it didn’t understand how to handle it.

For the most part, the Left’s attitude to affluence has been (i) that it was a temporary phenomenon, (ii) that it was the result of a bitter union struggle, (iii) that it did not change the fundamental basis of capitalism — all of which are partial truths but evade the deep cultural changes that came in the wake of affluence.

Even today, across much of the Left (socialist feminists aside), there is a great deal of concentration on wages, working conditions, overseas solidarity, and little understanding (and often a degree of puritanism) towards the revolution in lifestyle, media, entertainment, and new modes of work and its relation to the rest of life. Many seem to have a sigh of relief when each cyclical economic recession appears, allowing “simpler” (traditional) issues to come to the fore. Yet, despite recession, despite millions in poverty, a large part of Australian society carries on with its attitudes, aspirations and preoccupations determined by relative affluence — an affluence more “naturally” associated with market capitalism.

The Left also concedes ground

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**Marx Today**

Ralph Edney

**Has money been abolished or can I still give you a bribe?**

Karl Marx, risen from the dead, faces charges of vagrancy & desecration of his own grave

**Karl Marx you say? Isn’t he one of those Liverpool militant chappies?**

Please do not ask for legal aid as a refusal often offends

**Can’t I send him straight to gaol?**

But the prisons are so overcrowded: there are three men in a cell on solitary confinement, sir.

...the man’s deluded: you must consider his handicap

He doesn’t look like a golfer to me
goad for reforms in “actually existing socialism”.

In propaganda terms, the statism of the USSR and China have been a boon to opponents of socialism in the West. While the planning and state ownership in the USSR appeared to be a beacon to many who suffered in the Depression, the political repression which accompanied it turned many more away from socialism from the 1950s onwards.

Gorbachev’s (and, at least until recently, Teng Tsiao Ping’s) reforms have tried to tackle the consequences of centralised planning: apathy, lack of incentive and inspiration which lead to a system less dynamic and adaptable than capitalism. In the field of consumer goods, such reforms will undoubtedly mean higher prices for many commodities, but such a result is also a stimulus to factories and farmers to produce more goods overall. In the field of capital goods and raw materials, a limited market may allocate resources more effectively and on criteria which encourage more efficient use.

The Right already is arguing that such reforms show that “capitalism” was right all along, falsely conflating the market with private ownership. While the Left should be wary of identifying itself once again with a “socialist paradise” overseas, it must not fail to draw the lessons for strategy within the West concerning attitudes to private enterprise, the problems of state intervention and the market.

FOOTNOTES

1. Thus, the historical allusions in Charles Copeman’s statement during the Robe River dispute in September 1986, when he spoke of "the struggle for freedom which has been lost in the mistaken belief that we could create equality where none exists in nature”.
2. There was, of course, also a minority tradition within socialism of anti-state anarchism and libertarianism.
3. As well, there was a section of health professionals who argued that cutting funds to hospitals and doctors would be a good thing if funds were used in local community health centres and preventive health campaigns. A similar dilemma occurred with the recommendations of the Richmond Report on mental health. Deinstitutionalising patients on humane and mental health grounds meant some nurses’ jobs could be lost.
4. The most telling recent example being the consequences in the newspaper industry in which, over the last fifty years, newspaper titles have decreased markedly and owners have shrunk to two.

DAVID MCKNIGHT is a journalist on the Sydney Morning Herald.