The last few months have seen in crescendo about the contest for grabbing power around the world. All the old verities about the socialist/capitalist dichotomy are up for grabs.

More modestly, they have also marked a significant shift in the tide of debate over the Australian economy. Nor is the first of these occurrences entirely without consequences for the latter.

Until a few short months ago to argue against deregulation of the financial sector, or the entry of foreign banks, or the floating of the Australian dollar, was to label oneself a voice shrill and angry tones. But the possi-bility of them being taken seri-ously, either by the new policy-making consensus in and around Treasury, or by the media, seemed remote. Market forces and competition were about to put a new broom through the cosseted Australian economy, or so the story went.

The torrent of corporate collapses through the latter half of 1989 - which still threatens to become a flood - has changed all that. The first swallow of the summer was the renunciation by the solemn voices of the financial press of all the evil deeds of Messrs Bond, Skase, Herscu et al, whose borrowings were seen as symptoms of an past era of entrepreneurial profligacy, rather than of the new epoch of corporate dynamism. Financial survey after financial survey heralded the 'nineties as the decade 'conservative business values', with corporate ranking once again based on real assets rather than paper empires. There was talk of the need for greater self-regulation and even exter- nal regulation of management behaviour. At the same time what became known as the Pappas report, on Australia's manufactur-ing, made respectable again arguments about intervention which had been regarded throughout the 'eighties as at best eccentric and at worst simply the bleatings of vested interests.

The stage was set, one might have thought, for a change of gear on the part of the Left. A new atmosphere of social responsibility for business seemed at hand. Yet the Left has responded less with a bang than a whimper. Why is this? The most ob-vious answer is that the non-union Left has very little to say about what we think deregulation has done. We know that we think deregulation has been bad - though not always for consistent reasons. But what kind of regulatory regime do we actually think would shape the Australian economy more effective-ly throughout the 1990s, and why?

And, while there's no shortage of left theory about the economy in general, do we have any proposi-tions to advance towards a theory of regulation?

This brings me back to Eastern Europe. If the collapse of 'actually existing socialism' has meant one thing, it is that the old model of the publicly-owned industry as natural provider of the public good is at an end. Henceforward the debate will not be over the virtues or otherwise of the mixed economy, but over what kind of mixed economy we want to see. This suggests that levels of democratic influence over the economy, rather than the level of public ownership within it, is now the index of political radicalism on the world stage.

On the face of it, then, theories and forms of regulation should be as high on the Left's agenda today as forms of nationalisation once were. But that's obviously not the case. 'Defend and extend!' has been the main rallying cry.

Yet the old regulatory regime of the 'fifties and 'sixties is surely beyond revival. If regulation can't be recast in terms of the new in-dustrial agenda of the 'nineties, as a creative economic tool rather than a fetter, it may be doomed to a renewed stint in the political wilder-ness.

David Burchell