

2010 JOHN BUTTON ORATION

NIGHTS WHEN I DREAM OF A BETTER WORLD: Moving from the centre-left to the radical centre of Australian politics

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Since the late John Button delivered his devastating analysis of his beloved party in his 2002 Quarterly Essay, it is plain in 2010 that the Australian Labor Party never did step up to the challenge of renewing its purpose in Australian national politics. Which way forward indeed for those who dream of a better world?

John Button's 2002 Quarterly Essay *Beyond Belief* laid out a devastating analysis of the state of the Australian Labor Party in the new century. It was required reading then, and – there being little evidence that it was ever heeded in the eight years since – is required reading today. Anyone seeking to work out how it has come to this in August 2010 is well advised to return to this essay.

Let me say from the outset I am a Labor outsider. My father and his father before him drove cattle in Cape York Peninsula in the days before our citizenship: the picture of black stock-workers sitting out on the dark woodheap, looking through the kerosene lamp lit windows of the boss's station house, dining on damper and black tea while the white fellas sit eating their corned beef, potatoes and white sauce, is an enduring metaphor of black rural and remote Australia.

I confess that whilst I have never stood with my nose pressed to the glass of the big house of Federal Labor, I have looked from the fireplace out back with some perhaps untoward and certainly unrequited feelings of desire, but for native Australians that door has never opened from the outside. I was obviously reflecting on my own embarrassed condition when, in my 2007 essay for the Griffith Review, I referenced Robert Penn Warren's machine politics saga based on Louisiana Governor Huey Long, *All the King's Men*. Penn Warren's nailing of the essential condition of that hayseed Willie Stark drove a six-inch bullet head unnervingly close to my own dyslexic heart:

Back in those days the Boss had been blundering and groping his unwitting way toward the discovery of himself, of his great gift, wearing his overalls that bagged down about the seat, or the blue serge suit with the tight, shiny pants, nursing some blind and undefined compulsion within him like fate or a disease.

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My late father was wont to tell me the purpose of life is to serve God and to serve your fellow man. This injunction too often weighs like a burden of resentment on one's life, for my father never told me that which I will not fail to tell my own son: you have to look after yourself too. Otherwise whatever your gift, disease will surely be your fate.

Having come close to reducing leadership to curse, the corollary of night-dreams of a better world is the hot sunlight of daily reality. Leadership requires dreaming at

night and walking by day, and trying to avoid dreaming by day and sleepwalking at night.

I won't rehearse John Button's diagnosis of the Labor Party after the 2001 election defeat, but the main themes are the same as those that emerged in the lead-up, conduct and aftermath of this year's election: a party bereft of purpose and peopled by a decreasingly diverse talent pool of apparatchiks. Whilst this derogatory appellation is commonplace, the American historian James Billington's definition makes it particularly apposite in the present context: "a man not of grand plans, but of a hundred carefully executed details".

Less than three years on the Treasury benches, and it has come to this. Whether or not Julia Gillard succeeds in salvaging a government from this wreckage, John Button's eight years old counsel hovers like Banquo's ghost over the bloody scene. The failure of the Federal Labor Party to define and to articulate – other than in the most banal terms – its *raison d'être* in national politics, is not good for the cause of those who seek progress in Australia.

Labor's most compelling claim as to its most essential difference from its conservative Coalition opponents was that it was what the late Kim Beazley Snr called "the party of social attack".

Whereas both Labor and the Liberal Conservatives might make claims to more or less competent management of the nation's government – and both might make claims to their commitment to economic reform – it is only Labor that harbours the idea that it is about social change.

Whilst the Liberal Conservatives also wish for a good society, by definition they eschew governmental agendas for social progress. They have a long philosophical heritage that sees social progress as a steady evolution, and large governmental attempts to contrive progress will only result in waste and unintended consequences. The liberal and conservative tradition has a well pedigreed skepticism, and indeed strong objection, to what their opponents once regularly called "social justice".

Today Labor is more sparing in its deployment of these two words: social justice. Whilst social justice is still part of Labor's intra-mural pieties – a useful rallying cry for the true believers – in front of the nation at large the concept is muted and liturgical.

If Labor was to say what it was about, why could it not simply say that it was about Economic Prosperity and Social Justice? The truth is that it could not. And the problem is not with the notion of Economic Prosperity: plainly, Labor stands for it and everyone is clear on its meaning. It is the Social Justice part of this formula that Labor could not sustain. It could not because the notion of social justice is completely elusive and has for too long remained undefined by those who say they were and are all for it. Both the end state of justice and the means by which that end state is supposed to be achieved, is utterly undefined.

And all attempts to cobble together a definition of what contemporary Labor politicians mean when they deploy the words social justice, would just confirm to

their Liberal Conservative opponents that Labor has in mind yet another great socialist project that will end in waste and tears.

How is it that a concept that has travelled with the social democratic project through such a long and storied history, has ended up so equivocal? Why does every attempt at articulation sound like someone either sincerely wanting or insincerely promising, utopia? Kevin Rudd's great nemesis, the liberal economist Friedrich Hayek once wrote:

I have come to feel strongly that the greatest service I can tender to my fellow men would be that I could make the speakers and writers among them thoroughly ashamed ever again to employ the term "social justice".

It may be that the high priest of what Rudd called neo-liberalism has finally succeeded in intimidating the social democrats out of their convictions about social justice.

My intention tonight is to suggest that social justice could be a real concept, and could be the concern of a party such as Labor that seeks to actively work to make a better society – if it be properly understood. This proper understanding would however require an abandonment of the great part of the accumulated theology of social democratic thinking around social justice, and would more heed the rational objections of the liberals than the moral enthusiasms of the social democrats.

We will turn to the meaning of social justice in due course. Let me at this point dilate on two of my own native thoughts about leadership.

My first point concerns the difference between natural and structural leadership. Structural leadership depends upon formal political, cultural, economic or religious structures for mandate, authority, power and influence. Natural leadership depends on no institutional power or recognition: it is simply the power of human self-determination and the informal recognition of its inspiration and influence over other humans.

There are many more natural leaders than structural leaders in the world and they will be readily found in families, community groups, and in the full range of informal social, cultural, religious settings.

Some structural leaders are also natural leaders, but most natural leaders do not occupy formal structures.

The problem with the parliamentary parties is that they provide pathways to power for structural leaders who may have never exercised natural leadership and may never possess it. They are masters of the structures of power but in the absence of those structures they could not lead men and women. Whilst it is not a problem exclusive to it, it is this preponderance of structural leadership that is a large part of Labor's problem of parliamentary representation.

My second point concerns the dialectical way in which I conceive leadership and policy. It is important to my argument tonight to explain my dialectical view and

what I mean by the radical centre. Let me extract the explanation I laid out in my 2007 essay for the Griffith Review:

We are prisoners of our metaphors: by thinking of realism and idealism as opposite ends of a two-dimensional plane, we see leaders inclining to one side or the other. The naive and indignant yaw towards ideals and yet get nowhere, but their souls remain pure. The cold-eyed and impatient pride themselves on their lack of romance and emotional foolishness: pragmatism and a remorseless Kissingeresque grasp of power make winning and survival the prize every time. Those who harbour ideals but who need to work within the parameters of real power (as opposed to simply cloaking lazy capitulation under the easy mantle of righteous impotence) end up splitting the difference somewhere between ideals and reality. This is called compromise. I prefer a pyramid metaphor of leadership, with one side being realism and the other idealism, and the quality of leadership dependent on how closely the two sides are brought together. The apex of leadership is the point where the two sides meet. The highest ideals on earth are realised when leaders strive to secure them through close attention to reality. Lofty idealism without pragmatism is worthless. What is pragmatism without ideals? At best it is management, but not leadership. It takes insight, skill and creativity, careful calculation as well as bold judgment, prudence as well as risk, perseverance as well as preparedness to alter course, belief as well as humility, and great competence as well as the ability to make good from mistakes to bring ideals closer to reality. One must be hard-headed in order never to let go of ideals. Idealism and realism in leadership do not constitute a zero-sum game. This is not about securing a false compromise. The best leadership occurs at the point of highest tension between ideals and reality. This is the radical centre. If the idealism is weaker than the realism, then optimum leadership cannot be achieved and vice versa. The radical centre is achieved when both are strong.

In my essay I suggested that there were at least ten classic dialectical tensions in human policy: idealism vs realism, rights vs responsibilities, social order vs liberty, individual vs community, efficiency vs equality, structure vs behaviour, opportunity vs choice, unity vs diversity, nature vs man, and peace vs war. But the truth is that dialectics are everywhere: Hegel and Marx were right about the dynamic unfolding of history through dialectical tensions, and the Confucians who gave us Yin and Yang and their cultural counterparts the world over, were right about the unity of opposites.

My list of so-called classic dialectical tensions laid out only ten of the most prominent tensions that lie at the heart of our greatest and ever-recurring public policy debates. Across all of these issues there are tribes that vehemently hold one of the policy theses and there are tribes that hold the other: and both sides prosecute their side with a vehemence and conviction about the correctness of their own side and the folly of the other. There is much tug-of-war in the world. And tragically too little productive synthesis.

The productive synthesis is the radical centre. The radical centre is both an intellectual place and a real place in the dynamic political economy. The radical

centre therefore requires intellectual insight and practical political and economic action. Intellectual insight alone is no guarantee that the real circumstances will change accordingly: we can often see what we need to do, but we may not succeed in doing so.

One example of the intellectual identification of the radical centre concerns the dialectic of war vs peace set out by President Barack Obama in his acceptance speech upon receiving the Nobel Prize for Peace last year: only by the preparedness to fight war, can peace be maintained. Many here tonight will not agree but I think Obama identifies what I would say is the radical centre of this fundamental tension. Whether his leadership can get his country to follow his intellectual identification of the radical centre is of course another question.

When we started our reform work in Cape York Peninsula, our starting point was to work out how people advance in the world. If the world be a pyramid where good things flow upwards and the most miserable people occupy the very bottom, then how do peoples rise up to take a fairer place?

The metaphor that resulted from our consideration of the rules of advancement in a world dominated by capitalism was the staircase. Rather than a ladder of opportunity, ours was a staircase comprising three parts.

Firstly the foundations upon which the stairs are built. For us these foundations constituted the social and cultural norms of a community, a group, people, family or society. Norms that mandate personal and social responsibilities to one's family and to one's community. Wherever peoples possess strong norms, they are well prepared for advancement.

Secondly the structures underpinning the stairs. For us these underpinning support structures constituted the investment in capabilities provided by the society to their people. What the Nobel Laureate Amartya Sen called capabilities included investments in health, education, infrastructure and other economic and political opportunities and freedoms.

Thirdly the actual stairs and their rational alignment heading upwards. These were the rungs that individuals would need to climb to advancement.

Eureka! We understood immediately a simple point that hitherto been obscured in the prevalent policy thinking about the predicament of the wretched of the earth: each and every rung on the stairs of progress must be climbed by real, individual human beings. The stairs are narrow and only allow individuals clutching their children to their breasts to ascend two by two. The reasons they climbed was that they made choices and they could see incentives further up the stairs.

There was no mass elevator for entire communities or groups to ascend all at once. There are just the stairs, and no man is exempted from the need to climb in the same manner as one of Clarence's murderers in Richard the Third answered the question about the means by which he had come hither: 'on my legs'. Individuals climb with their own legs on behalf of themselves and their families, in pursuit of their own interests.

Our metaphor enabled us to see where social and communal provisioning was relevant, and where individual self-interest was.

The foundations of social and cultural norms strongly corresponded with conservatism: we came to appreciate that peoples were well served if the cultures mandated mutual responsibilities and mutual respect. If cultures obliged their members to fulfil their responsibilities for the care for their children, and the formative development of their youth, they stood them in good stead for advancement. Our policy thinking around these foundations found a strong resonance in conservative thought.

The support structure of capabilities underpinning the stairs strongly corresponded with redistributive thinking. It was about social investment in people's capabilities: health, education and so on. Social investment was critical. Our policy thinking around these support structures found strong resonance in social democratic thought.

The stairs themselves and their rational alignment and the fact that they were ascended by real, individual human beings climbing in pursuit of their own interests strongly corresponded with liberal thinking. We understood the power of choice, rational incentives and that the ultimate engine of development and progress is the self-interest of individuals on behalf of their families.

We came to Adam Smith via our staircase metaphor: the most powerful engine at the centre of development is the self-interest of individuals seeking a better life for themselves.

I come from outside of the three great philosophical traditions of western social and political thought: liberalism, socialism and conservatism. My starting point is the observation that the liberal, social and conservative impulse actually correspond to, and probably arise from, our nature as humans. Liberal philosophy based on individual freedom to choose in one's own self-interest has its ultimate source in our biology. Socialism has its source in the fact that humans have a social nature and have empathy for others. Conservatism arises from the fact that humans are also animals with culture, we possess memory and therefore treasure tradition. The liberal, social and conservative instincts of humans are facets of our biological, social and cultural nature.

It seems to me that all societies exhibit some unique combination of these three facets and successful societies make provision for them in the right combination. It all comes down to relative emphasis, the relationships between each, and in which sphere of life as to where these inclinations are best pursued. Entire libraries of philosophy have been constructed around these three facets of humankind, but their provenance is in fact the nature of humans.

The liberal truth about self-interest is captured in an adjunct to Jesus' answer to Satan when tempted in the wilderness: *Man cannot live by bread alone, but he does need bread.*

The social truth about our empathy and obligation to others might also be captured in answer to Cain's question to God when asked as to the whereabouts of his brother: *We are our brothers' keepers.*

And the conservative truth about man needing more than what the liberals and the social democrats could offer is captured for me in the proper response of Jesus to Satan in the wilderness: *Man cannot live by bread alone.*

If the starting point of philosophy be as innocent as I propose, then we enter the zone of political economy when class interests come into play. Class interests drive and ultimately distort each of these three facets of human nature, and commandeer them to the service of class interests.

Class interests therefore commandeered the human instinct for conservatism as a justification and cause for the conservation of privilege. It is therefore completely unsurprising that the inheritors of privilege have always been the upholders of conservatism, and an entire philosophy has been constructed in pursuit of this interest in conserving privilege.

Of course, conservatism contains within it many of the original and valuable human instincts that serve people well, whether or not they are privileged. Just because much conservative thought is associated with the class interests of the privileged does not make conservatism irrelevant to the unprivileged.

When class interests commandeer the basic insight of classical liberalism, then you have the kind of extreme Darwinian philosophy of an Ayn Rand, the kind which Kevin Rudd excoriated under the banner of neo-liberalism.

Whilst people from the centre left recognise the class interests that drive philosophical and political argument in favour of conservatism and liberalism, there is little self-awareness of the class interests that have come to commandeer socialism. The class interests of the socialist is commandeering the institutions of the state for the benefit of a political, bureaucratic and cultural nomenclatura. These are class interests no less than that of the liberals and conservatives – and these interests are susceptible to the kind of extremist justification of the more readily identifiable class interests.

I think it important to consider the arguments of the classical liberals as well as the left's critique of that classical political economy. My own approach to dealing with both traditions is that the critics of classical political economy provide a more accurate description of the way the world actually works. They are good for the analysis. But they are not good for the policy. The policy of the classical liberals is actually the means by which we must seek a better world. We should pursue a liberal policy whilst keeping in mind the socialist critique.

The enduring contribution of the left's critique of the classical liberalism is its explanation of how class interests operate in society. Whilst the old left and right took the self-interest of the individual as the starting point, the right ignore or deny that the interests of individuals within a class coalesce with the interests of others of their class, and they form class interests. And indeed the old left argued that not all class interests influence the society equally with others, some class interests are ruling interests. And these ruling interests take the form of ruling ideas.

This old left analysis is unfashionable and indeed unacceptable today. It is unacceptable to the right, and unfashionable to the nominal left.

But it is not possible to think about how the wretched at the bottom of the societal pyramid might plot a path upwards, without understanding the dynamics of class in society. There are three ways in which the manifestation of class interests is most important for those seeking a better world for the wretched. Whether the interests of other classes, including the most privileged classes may be hostile to the interests of the wretched, is the least important. The most important manifestation of the dynamics of class in society is in the outlook of the wretched themselves. It is their outlook that will either constrain or free them to break out of their condition and achieve a better life. The most damaging thing about wretchedness at the bottom of society is that the wretched possess outlooks that ill-suit their advancement. Indeed they are outlooks which are often diametrically at odds with their interests.

The second most important manifestation of these class dynamics is the ideology of the middle classes who have made the condition of the poor their concern. It is this class that is often most responsible for generating, and if not generating then reinforcing, the destructive outlooks of the poor.

I am talking about the progressive middle-class left here. I am talking about me and I am talking about you. It behoves us as inheritors of the old left critique of classical liberalism, to apply the old leftist analysis of class to ourselves. We are a class, and we possess interests as individuals and as a class.

No, we are not working-class. My father was. Your grandfathers may have been. But you are not. Whatever lower-class solidarity you think you possess cannot be taken at face value: we must examine your actual interests, not what you think or feel. This is not about your professed loyalties or your empathy, this is about your interests. What is your class? And what interests do you have and how are they served?

Wake up from our daydreaming. You are bourgeois. We are bourgeois. I am bourgeois. I am one member of a growing class of indigenous Australians who are middle-class, who are increasingly prosperous and our children are getting educated and they will attend good universities and they will have the means to do well in ways that my parents could never have conceived of.

Yes there are dynamics concerning race and culture that are particular to us, but I know of no classical theory of the old left that exempted us from the dynamics of class society on those bases alone. We have class interests and they are not the same as those of our families and fellows countrymen back home.

The tendency of black and white members of the middle-class left to maintain illusions about our solidarity with the interests of lower classes, is one of our central problems. These illusions result in members of the middle-class left to not understand that they in fact have more in common with the class interests of the middle-class right than they do with the lower classes. Whatever the problems with Kevin Rudd's discourse as a whole in *The Monthly* his back to first principles attempt to articulate a Labor philosophy based on Adam Smith was coherent. He wrote: "Modern Labor, following Smith, argues that human beings are both 'self-regarding' and 'other-regarding'." He argued that members of the political Right distort Smith's

liberalism when they selectively “speak of the self-regarding values of security, liberty and property”. Social democrats, he contended, are truer to Smith’s original philosophy because they add “the other-regarding values of equity, solidarity and sustainability”.

I responded in *The Monthly* in the following terms:

Yet social-democratic solidarity has its limits: the fate of the disadvantaged can be seen to depend too much on the altruism of the economically and socially integrated mainstream. We need policies that increase self-regard among the disadvantaged. To put it crassly: poor people need to become at least as self-regarding as those who are not poor. Until disadvantaged people become as self-interested as advantaged people, they will not rise above their disadvantage. Until we crank up the engine of self-interest among the under-privileged, we won’t get individual, and therefore social, uplift.

Those who are well off and who devise other-regarding policies for the disadvantaged forget that they themselves are well off because of their own self-regard. Politicians of the centre-left are particularly prone to this kind of patronising double standard: “Mate, I do well with my own self-regard, thank you very much, but self-regard isn’t for you; you need everyone’s else’s other-regard, and I’m in government to organise the very other-regarding policies you need.”

The great tragedy of Kevin Rudd is that he seemed to understand that the social democratic thinking about social justice was daydreaming. In an interview with Peter Botsman’s online journal *Australian Prospect* in 2006 Rudd expressed this important insight:

There is a great opportunity for any member of parliament at any level of government throughout the country to become a community entrepreneur. What do I mean by that? Work within market structures or normal local community structures to achieve social outcomes that benefit the community rather than waiting for some huge, centrally driven social justice machinery to roll out one day which will deliver nirvana in our times. We all hope that will one day be the case. But absent that, I think we’ve got on our side of politics a dual responsibility to work locally as an entrepreneur to achieve community outcomes using the resources available and then to work separately and simultaneously at a policy level to try to achieve outcomes through a change of government and overall national policy.

At the time I placed great store in Rudd’s insight here. I thought that he got it. But then as Prime Minister we have never before witnessed a more ambitious erstwhile driver of the massive forklift of social justice than Kevin Rudd. The scale of his governmental ambition was a measure of his heart, but it was fundamentally at odds with the insight he seemed to show before he became Labor leader and before he became Prime Minister.

The problem is that those who step into the big cabin of the vehicle of the country’s national government, and they feel the power of the massive diesel engine rumbling under the hood – start to think that this machine can be mobilised against all of the

big problems in a big way. When it comes to social progress no matter how big and powerful the engine of government might be, it is the numerous engines of self-interest that lie dormant in the breasts of the disadvantaged that must power people up the stairs of social progress. Yes, governments can and should make social investments so that people develop their capabilities, but that investment must be about enabling people to pursue their own self-interests, not to assume that government can be a substitute actor in the development story.

The Nobel Laureate Amartya Sen has been a seminal influence on our reform thinking in Cape York Peninsula. It was his articulation of the purpose of our policy that we have taken as our own for our people: we want our people to have the capabilities to choose lives they have reason to value. The capabilities to choose lives they have reason to value.

Sen's great contribution was that he resolved the dialectic between Liberal Choice and Social Democratic Opportunity Redistribution. Sen's synthesis was the concept of capabilities. In many ways Sen had exposed the conceit in liberal thinking: it is not just the case that choice is a power for development. In order to have real choice Sen says that you need capabilities. Liberals often forget that the reason why they derive so much power from their freedom of choice is that they have the capabilities to choose.

We extended Sen's insight in our own thinking in Cape York when we asked what constituted capabilities. We therefore came up with the following formula:

Personal Responsibility + Opportunity = Capabilities

It is not as the social democrats would have it simply a matter of opportunity provided by redistribution that produces development. Rather personal responsibility must accompany opportunity in order to produce true capabilities. You can well have many opportunities in the welfare state, but if someone does not take personal responsibility, then no capabilities will be developed. A society might have good opportunities for health and education, but without personal responsibility, then capabilities will not result.

This is how we combined the social democratic principle of opportunity investment with the conservative principle of personal responsibility. This is what it means to locate the radical centre. In indigenous policy we resolve the longstanding dialectic on Indigenous Rights vs Indigenous Responsibilities in the following way: we say that our people have the right to take responsibility. We locate this radical centre by understanding that responsibility is the greatest power. It is in fact the true meaning of self-determination. Instead of continuing the mindless contest between the idea that indigenous rights is the true leftist agenda and indigenous responsibilities is the rightist agenda, in Cape York we understand the unity of these apparent opposites: we claim the right to take responsibility as the our most important right.

There is one classical dialectic which Australians will need to grapple with in order to find the true radical centre, and that is the dialectic between Humankind vs

Nature. What is our place in nature? And what is our future in nature? At the present time there is a major tug of war on two sides about this most important and seemingly intractable question and we can see no clear way forward.

The crusade on one side of the dialectic is cast in the highest moral terms – the greatest moral challenge of our time. There is absolute righteousness on this side of the dialectic. And yet the prescriptions are fundamentally at odds with how humans choose to live. The gulf between the prescriptions for saving the planet and the behaviour of humans, between their material needs and preferences and their moral anxieties is opening up a massive hypocrisy at the heart of humankind: We want to save the planet but we don't want to sustain any real pain in the process. In fact we would prefer to shift the costs to other people. The more economically advantaged we are, the greater our righteousness and willingness to support action. The more economically uncertain our position, the less prepared we are to compound our disadvantage.

Opposed to the equally disingenuous obscurantism of the denialists, the western environmental left is the most vehement in its moral stand – and yet least willing to bear the fair costs of their responsibility. The gulf between our self regard and our other regard when it comes to environmental costs is as stark as ever. Western environmentalism seems to be wishing for a future where the world becomes more like Tasmania: A wilderness to sustain the spiritual needs of an advantaged class that is subsidised by another economy in a parallel universe, depopulated of its original peoples. There is too much hypocrisy from both sides of this great conflict.

The Greens are taking over a large part of the tug of war against the liberal conservatives and will continue to do so. Australians have cast them in the role of being the new force of the centre left. Those who seek social progress cannot be a party of the centre left or the centre right. They must be the leaders who seek the radical centre.

Thank you.