

Beyond the Spectres of Globalisation and Ultramodernity
Towards a Future Global Commonwealth?

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Fundamental Questions

Globalisation is in trouble in its heartlands and that spells trouble for the necessary global response to climate change, poverty, and social disorder. The triumphal global order of so-called ‘free capitalism’ that was supposed to enrich and liberate us all is in serious crisis. Disappointment, depression, and discontent are growing. The spectral presence of long suppressed fears of reactionary nationalism and chaos are beginning to haunt us again. Violent protests are the order of the day in many previously more or less peaceful places. Has the global market crisis, brought on by the dissipative force of individualistic greed, damaged the social compacts that delivered relative prosperity and peace to the Western World since 1945 and thereby set back the possibilities of further development of a global system of justice, democracy, welfare, and climate strategy?

At the very least the crisis has brought to widespread attention again certain fundamental questions about social order and co-operation that had been neglected while the global market seemed to be providing, at least for the fortunate ones and according to a certain view of the world, materialist answers to such questions. That is, within the Neo-Liberal ideology, it had become widely believed that the basic question of how to establish and then preserve what has been called “The Commonwealth”,¹ or of how individuals, organisations, and markets could cohere democratically and peacefully together and provide a harmonious, integrated social system that provides justice and welfare for all, can be answered by reference to the hidden hand within markets. This outcome was supposed to be possible only if markets and marketised social relations could be left free from external control and distortion. The rational order that supposedly grows mysteriously out of the totality

¹ An egalitarian sharing of prosperity and wealth is the core of this original concept. A recent user of this term has been Sachs (2008) but it’s early modern roots are in the 16th Century and then further developed and applied in the 17th Century English revolutionary period and the early British colonising era of North America. More recently, when the architects of the Australian federation were deliberating in the 1890s on a new name they decided upon “Commonwealth of Australia”, a term that they believed reflected the earthly paradise of equality they hoped they were bringing into being. But the term has been much devalued more recently as in the “Commonwealth of Nations” and the “Commonwealth of Independent States” neither of which is actually approaching a true commonwealth in any meaningful sense. But like Sachs, I think there is something worth preserving and employing in this term in the original sense.

of all individuals pursuing their own self-interest and contracting freely with each other was supposed to solve problems of social integration, happiness, and even morality. But of course, we have learnt that as this rational system delivered more material utility for many in the short term it delivered less happiness for most people; and now we also see very clearly that if you live by market rationality you must also expect sometimes to die by market rationality. Markets cannot always be trusted. They have a worrying tendency towards monopolisation and the licensing of greed if left to their own devices. The market-rationality route to establishing the commonwealth is now apparently discredited again, as it had been after the 1930s depression. On the other hand, the corporatist/social democratic route is being strongly defended again as being free from the major defects of unregulated markets.² But unfortunately there still exists the problem of reconciling the residual authoritarianian social engineering and social enclosure of social democracy with increasing economic, social, and ethnic openness in a globalising world marked by growing individualism and freedom. The interconnection of individual, community, state, and liberty is always an issue for all progressive strategies.

If the global market route is discredited, then, and social democracy has its difficulties, how would a peaceful, co-operative commonwealth that permits human flourishing, to use Nussbaum's term, emerge and who would make it happen? And given the world we live in, can it now only happen at the global level? In the 21st Century is the concept of a *global* commonwealth that the defenders of the Washington consensus implied³, merely a fantasy or actually a necessity in spite of or perhaps because of the market crisis? Clearly, many elements of a global structure of political economy and state administration do exist and the G20 has tried to develop it further in response to the crisis. But many elements of a global society and global economic development do not exist. Does a global market and a global economy require a global political system in order to regulate it and prevent crises? That is, does global capitalism need a global state regulatory regime? But if a global political

² See the defence of a social democratic response to the global crisis by the Labor Prime Minister of Australia, Kevin Rudd in Rudd (2009).

³ The critics did not share the view that it aimed at establishing a commonwealth.

economy is to be further institutionalised, it cannot be through imposition by a hegemonic state for such a state does not exist. Perhaps a global political economy can only emerge from a global civil society of socio-political actors and organisations. We are far from having such a structure. But, moreover, the global climate crisis can only be solved by global co-operation and such co-operation has to be as much economic as political and technological.

All of us as social actors actually face every day, then, without explicit awareness most of the time, these sorts of age-old, interconnected questions about sociality, organisation, agency, and governance, the answers to which can effect our daily lives. In times of social crisis we become more explicitly aware of them. We can be more specific about these questions:

First, what and how constituted is the ordering of social interaction?

Second, what role do individual desires, actions, and human agency play and what is the origins and effectiveness of the agency of individuals, groups, and governments?

Third, how can socially-just and democratic societies, in which there would be both fundamental respect for and collective support for individuals, families, groups, and disadvantaged classes, emerge and develop? Do we indeed need a powerful, semi-autonomous, benevolent state for this purpose? Can such a state grow out of civil society, and be subject to it as early social democrats sometimes hoped? or will perhaps the state wither away eventually once the Commonwealth (or communist paradise) has been established, as orthodox Marxists believed?

I cannot possibly discuss all these issues here but I argue that these rather abstract ideas are actually of crucial significance today for understanding our present local and global context of crisis and how we could act as individuals and collectively in this context. There is no doubt that we are in a systemic crisis that is occurring on several levels of the whole global social system and its biospherical context. This crisis not just threatens the material and social quality of life of rich westerners but the social

order of all societies, the actual survival of many people in poor countries, and the necessary commitments by governments and states to respond to global climate change. The issues of globalisation, social democracy, and commonwealth should be considered as a single intertwined problematic. But first, I think any discussion about social order and global organisation should begin with a consideration of the two opposed deep forces that confront each other in this and in any crisis: entropy and agency.

Entropy, Agency, Socio-Biology, and Self Organisation

Entropic force, or disorder, dissipation, and heat death, effects all systems, including all of us as living beings and our social organisations. The greater the entropy in a system, the greater the potential for disorder and unexpected change. Systems with a high degree of entropy are usually chaotic in the sense of rapid changes from one state to another, often exhibiting a pattern of oscillation between alternative states.

Relatively stable systems usually contain a balance of forces of change and equilibration that keep them stable or changing only slowly in an ordered manner. Biological and social systems require a high degree of order in order to survive over long periods of time. Nevertheless, social systems are particularly prone to disorder or dissipation at certain moments due to non-linear or chaotic potentials within their structure.

Agency, on the other hand, is the main force that counteracts entropy in all biological and social systems. Agents enable systemic organisation, maintenance, reproduction, and adaptation. In social systems, agency is dispersed among all people but also clustered into collective agents at various levels of organisation. Agency is not the same as the pursuit of individual satisfaction, far from it, although it might emerge from it, as Adam Smith believed. It is the structure and power of *collective* agential entities that are crucial and which social science must grasp. This has proven to be a controversial task ever since the Ancient Greeks.

Agency is necessary to counteract dissipative social entropy. Entropy in the form of radical individualism is ever present in groups, organisations, classes, institutions,

governments, nations, and the global system of states and markets. At every one of these levels there is a powerful potential of dissipation and, ultimately, the possibility of violent disorder. The problem of the dynamics within and between individuals, unorganised multitudes, groups, social classes, organised whole peoples, and states, was Aristotle's problem and after him that of most political and social theorists, especially in the 17th to 19th Centuries in European thought. The violent disorder of Europe in the 17th Century prompted the profound writings of Locke, Hobbes, and Spinoza, that of the French Revolution and Napoleonic era of the late 18th and early 19th Centuries prompted the profound writings of Hegel and Marx. And the great violence and disorder of the early 20th Century prompted the profound writings of Schmidt, Arendt, Rawls, and Nussbaum. All of these writings and many others have contributed to new debates today about social and political order in the context of the contemporary erosion of old certainties and structures. The decline in legitimacy of bureaucratic states and certain other institutions such as labour and civil society organisations in the West, the disappearance of the more or less stable bi-polar geopolitical structure of the Cold War, the weakness of the interstate institutions such as the UN, and the so-called 'War on Terror' are all features of our time, to which must now be added the failings of the global financial regulatory system.

The revaluation of older theories in the new context has seen the remarkable resurrection of concepts such as of 'multitude', 'leviathan', and 'the people', which were coined in earlier eras of social instability and flux and which seemed to have lost their currency, to add to more recent concepts such as 'social class', 'empire', and 'hegemony' that were out of fashion in the Neo-Liberal Globalisation era that concentrated on problems of liberty, rights, and fairness in a marketised order.⁴ Indeed, one of the striking theoretical developments of the past year or so has been the revival of interest in Marxism and not just by aging sixties radicals but also by the clique of economic and political journalists who were so dismissive of the Marxist and social structuralist traditions just a few years ago. The phenomenon of serious systemic crisis has sharpened this new interest among those who believed that rational

⁴ An excellent discussion of the meaning and value of these concepts is in the series of articles by Malcolm Bull (see Bibliography) written partly in response to Hardt and Negri's writings.

choice and market theory in economic and political discourse were able to solve any serious problem without difficulty.

All theoretical contributions to the debate about social order prior to the present period contained implicit or explicit speculative philosophical anthropologies. That is, beliefs about human nature, the inherent human capacities or instincts of individualism, greed, self-interest, altruism, trust, mistrust, and so on, lay at the heart of socio-political theories. Many of these beliefs, such as Aristotle's 'zoon politikon', Hobbes's self-interested individualism, Spinoza's multitude, Smith's rationality, Marx's social being, arose from abstract theorising about human social behaviour and were influenced no doubt by the prevailing state of social order or disorder of their time. Of course they were also based on *a priori* transcendental reasoning about what must be the nature of humans for social order or disorder to exist. Hobbes's ideas about disorder being the natural state necessitating a social contract and a powerful state to constrain the natural anti-social instincts of people has been a powerfully influential idea down the centuries.

While today we have, in the context of the growing instability in the global system, a resurrection of these theoretical themes about the relationship of unstructured multitudes to collective body politics and states and the uncertain role of the hidden hand of the market, as well as continuing themes about social being, material interests, and class consciousness as the foundations of social agency, all of these lack a scientific account of human nature. That account is now beginning to be provided through new research on the socio-biological characteristics of humans as a social species.⁵ The research is pointing strongly towards the centrality of innate desires for reciprocity, co-operation, and equality in small-scale social interactions. If indeed most people have a strong evolved tendency to seek and maintain such relationships then this helps explain the high degree of social peace that exists almost everywhere almost all the time within small-scale social situations, such as families, clans, small villages, networks, workplaces, and many others. At larger social scales peaceful social order builds upon this predilection but has to be assisted by institutionalised

⁵ Gintis et al, Boyd and Richerson, Henrich et al, Richerson and Boyd.

systems of governance and regulation, including hierarchical relations of reciprocity and co-operation. The macrostructures of society have not been so well ordered for the scaling up of reciprocity needs an intellectual leap to the idea of the commonness of humanity and that leap has not occurred in many places, especially where states have been multi-ethnic in composition. Leadership and education about inter-ethnic reciprocity and co-operation is absolutely necessary in today's multicultural world.

Building on this account of human nature and the development of concepts within systems theory about autopoietic and dissipative forces within all natural systems, many theorists have argued that society and its sub-systems are self-regulating in the sense they consist of structures, processes, and mechanisms that operate in an integrated and stabilised manner that does not require any form of deliberately conscious design or control. Such systems, such as ecosystems, animal societies, and small-scale human societies, do indeed have forms of self-regulation, whether via biochemical interactions between elements or sub-conscious social arrangements that organise the system. But questions about the mechanisms of self-regulation and stability at macro levels is still very open. The interplay between deep or substantive self-regulation and consciously designed formal regulation is clearly fundamental. Global financial markets are a good example of the dynamic between the two that we don't yet understand at all well.

Spectres of Globalisation

How do these ideas help us think about problems of globalisation that confront us today? The volatility of global markets and global geopolitics and their local effects over recent decades strongly reminds us that old issues of social order, agency, and both forms of regulation, never disappear. Social peace and prosperity in Western countries is threatened again. The legitimacy of governments and states and their capacities are challenged. Non-state and anti-state forces are growing in strength.

The first thing to note is that globalisation is not going to stop and unwind.

Globalisation has been a central dynamic of the world for a very long time – ever since the 15th Century. The process was enabled originally and continually ever since

by revolutions in transport and communications combined with the (originally European) imperative of capitalist profit-seeking through market expansion and the consequential forces of trade, violence, and imperialism that were its corollaries. Of course this has not been and is not a simple linear process but one of many dimensions, speeds, causes, and consequences.

One way to think of globalisation is as the gradual overcoming of geographical determination of social and material life. All of us, especially those of us who live in parts of the world that are thought to be peripheral and remote, have to come to terms with our geography or what has been called in Australia the 'tyranny of distance'. Is it possible that the mentality of globalisation as the supposed triumph over distance – as the conquest of our old determinations of location and time as well as culture – is a sort of partial delusion that explains something of what happened in recent times in the global financial markets? That is, did the hubris of individualism, always present in all social organisations, that led people to believe they could float free from all space-time limitations to massively enrich themselves, actually set free the entropic force that undermines social order at the global level? Of course this is not the first time this has happened. Periodic outbursts of mass greed have plagued the world system in its long process of construction. After the first great capitalist speculative bubble had burst, the tulip mania of The Netherlands of 1636-37, Jan Breughel the Younger painted a satirical picture in which the participants in the mania were shown as monkeys, symbolising greed and loss of reason and the disappearance of social norms of behaviour. The monkeys seem to have escaped from their cage again lately!

Today in the present crisis that has resulted from this imbalance of entropy and agency, there have emerged a family spectres of or fears about globalisation that are now haunting the world system and threatening to undermine the possibilities of a global commonwealth.

First there is the spectre of globalisation as behemoth – as a vast, uncontrolled economic and geopolitical system of power that has grown to enmesh all persons and localities and which can crush the aspirations of ordinary people both when it's

growing and when collapsing, threatening local cohesion and material livelihood both before and after the crash.

Globalisation as a top-down economic and geopolitical process has always been feared by many as an anti-social, class-or-elite-driven force that elevates market and geopolitical power above normal social interaction, civil societies, and egalitarian social welfare. The Islamic revolt of recent decades (mistakenly and maliciously called ‘the war on terror’) can be understood as one reaction against the power of global (particularly western) capitalism. But of course there are always winners and losers from episodes of globalisation and many people around the world have prospered from the spread of industrialisation and global markets. The geopolitical stability of the Cold War also permitted a stable foundation for democracy and welfare in most Western countries. Much of the so-called Third World did not share these benefits. However, the creation of globally unrestrained financial and commodities markets since the early 1990s, allied with the internet revolution and the collapse of communism, permitted a temporary but ultimately illusory liberation of many markets from all constraints thus contributing to creating a vast edifice of financial wealth and power.⁶ The implosion of this edifice is to the detriment of most ordinary citizens who have to now pay for it. Thus the latest manifestation of globalisation – financialisation – has brought no lasting benefit to most people. Unstable, unregulated market globalisation, without corresponding socio-politico-regulatory globalisation, and its aftermath, has confirmed in the minds of many people that globalisation is a dangerous, chaotic economic process that lets loose unconstrained greed to the detriment of all. Nationalist responses are being openly discussed and adopted, thus raising the spectre of the disastrous economic and political nationalism of the 1930s.

Thus, second, there is now the spectre of chaotic social disintegration that threatens the continuing existence of peacefulness, civil order, identity, and the welfare system of Western states and even greater chaos in poorer states. Significant developments in their regulatory regimes of Western states in recent decades are being blamed for

⁶ The global foreign exchange market is the best example of a lawless, unregulated market for those currencies that are freely traded.

exacerbating the crisis. The social democratic welfare state that came to full development as a consequence of the 1930s depression and the Second World War kept the social peace, it can be argued, in the postwar Western world. A fiscally-capacious and redistributive state that was essential so the social democratic welfare system was also a capitalist developmental project by expanding domestic demand, regulating markets through their close integration with state-owned and state-directed investments, and redistributing wealth via the interventionist state. However, two counter tendencies developed in the Western world from the late 1970s and early 1980s. First was the influence of Neo-Liberalism, especially in the advanced Anglo countries, which prompted a de-regulatory program with a reduction in state control and capacity and increased immigration rates without sufficient regard to integrative welfare policies.⁷ Secondly, after the collapse of the Communist bloc and the incorporation of most of Central Europe into the Western system many of these newly-transformed states have been unable or unwilling to adopt a developed version of the Social Democratic Welfare Capitalism on the model of the more advanced capitalist states of north western Europe. They turned instead to a strong version of free-market ideology in reaction against state communism and under the influence of the prevailing ideology of the Washington consensus. They became heavily indebted while trying to build modern infrastructures, which partly reflects their stage of capitalist developmental catch-up. They did not learn the lessons of the late 1980s speculative financial bubble of other countries at the beginning of the Neo-Liberal era. The severe erosion of public finances in these newly-capitalistic regions and in many other places, including the US, is raising the spectre of the Japanese 'lost decade' of the 1990s that resulted from the bubble of the late 1980s. The fiscal capacity of many states has almost collapsed under massively indebted banking systems, many of which have now been nationalised, thus socialising their debts.⁸ The spectre of the IMF-State has returned even to western countries but if the whole world becomes an IMF client than the system cannot cope with that, even with the greatly increased resources promised to the IMF (but probably not deliverable if the crisis greatly worsens) by the

⁷ This ideology also influenced the Nordic region from the 1980s but to a lesser extent than the Anglo countries although its effects have continued.

⁸ The most extreme case of financialisation and collapse with corresponding state fiscal crisis is Iceland, which is subject to IMF intervention. Ireland is also in similar dire straits after a massive property bubble.

G20. That is one of the biggest nightmares that faces us all – global fiscal incapacity – which shook the world to its foundations in the 1930s.

The third spectre, arising in the wake of the decline of the old collective allegiances, is the growth of the disconnected multitude who have no attachment to civil societies, established political systems, and states, and so are increasingly outside existing structures and prone to sudden acts of disorder and violence as well as creativity and momentary agency. Such multitudinous phenomena were common in early modern times until the mid-to-late 19th century in the West and have continued to be widespread and frequent in the developing world. China and India witness many events of this ‘unstructured’ or uninstitutionalised kind every day.⁹ The recent political street events in Thailand also seem to be an example of this phenomenon.

Given that the old collective political agents – the workers movement and unions, political parties, the social democratic welfare state, the interstate system, the official international agencies – are all in a weakened or declining condition in the present context,¹⁰ where is agency to reside and be activated? Hardt and Negri have phrased this as a question of sovereignty – sovereignty is dissipating and will only exist among the multitude and become effective at certain moments of collective activation.¹¹ Sovereignty is becoming democratised, in their view. But is this the dissipated order that many political thinkers and rulers have feared ever since Hobbes and Spinoza? Or is there truly a new dawn of radical democracy in which the global system will be remade as an extensive peaceful order of civil society without a state? The portents are not good, however. The problem of the multitude’s agency remains the same as it always was – in which context and upon which structure can agency work? Can agency truly exist as brief moments of coming together for common, democratic purposes? Is there a hidden hand that will result in outcomes akin to a

⁹ See, for example, the CRS Report on China by Lum (2006), which reports 87,000 events of civil disturbance in China in 2005. The incidence has increased since then. See also Rogers (2008).

¹⁰ Cf Bull (2005b) on the consequences of the decline of all the main socio-political agents of the 20th Century.

¹¹ Hardt and Negri (2004).

global, democratised marketplace in which all actors will have a similar degree of power? Or is it the problem that non-state actors can be motivated by destructive impulses as much as by creative ones, *a la* Al Qaeda? As Malcolm Bull said: ‘you cannot build a new society with a stanley knife’!¹²

The history of socio-political institution building in the world shows that pre-existing institutions are the focus, enablers, and containers of agency. The question then is of the institutional structure of the global system that has to be constructed if it is to be a peaceful global commonwealth. That’s a very large and fraught task.

A fourth spectre looms over all the others – that of a disorienting sense of incoherence or contradiction in the world in general. Socio-cultural incoherences and contradictions tend to drive us to disorientation or even madness because we cannot grasp the full meaning of the condition of our world with all its complexities, tendencies, and instabilities. Fortunately, the episodes of madness from incoherence usually do not last long for we are forced to invent meanings and structures, however unsatisfactory those meanings and structures might be.

In this present conjuncture of ultramodern fluidity the search for meaning becomes ever more difficult. The spectres that haunt us and the incoherences we try to live with and overcome make us more inclined, I believe, to seek solace, on the one hand, in locality, friendship, and virtuality (witness the popularity of Facebook), in small safe spaces and groups and virtual e-communities and, on the other hand, if the resources are available, in new but transient mass political movements and new arrangements that seem to stand against marketised individualism that offer degrees of coherence and hope. The Obama moment, which is not lasting long, is perhaps an example of the second whereas the first seems to be the norm in Japan these days where many people seem to live socially-alienated lives but do engage in much virtual communication. When, as in the words of the Prophets of 1848, and as we experience again today, all old social relations ‘are swept away’ and ‘all new-formed ones become antiquated before they can ossify’, when ‘all that is solid melts into air’, can

¹² Bull (2001)

we any longer trust the old structures and the old certainties of belief and allegiance? The distrust of the old structures, including the enlightenment rationality, the bureaucratic state and its organised industrial allies, and the global geopolitical institutions and arrangements, has grown in this new Century.

Humanity has been faced with a similar situation of incoherence and gaseous fluidity several times before in the era of capitalist development. It can be argued that lengthy eras of relatively stable regimes of political economy, social organisation, and culture, are interspersed with shorter eras of regime transformation or revolutionary episodes in which there is wholesale change. The world is sometimes 'turned upside down' and then there is great instability and little certainty about how the future will unfold. Indeed Marx and Engels were living through one such melting period of dissipation in 1848 when they felt compelled to write their manifesto and spread it as widely as possible. They felt the need to exorcise the fairy tale about the spectre of communism with the description and manifesto of a real and powerful emerging force rather than a ghostly presence. But the spectres that haunt us cannot so easily be dealt with for their existence is far more incomprehensible.

It seems that the globalisation era of recent decades encouraged some people to think we had finally escaped from all constraining contexts and there was an ever rising curve of freedom. In this ultramodernist condition they came to believe that all old determinations, all 'fixed, fast-frozen relations' were overcome so that their determinations, their identities, their formations, their contexts, could entirely be of their own individual making. Absolute individual subjectivity could be liberated. Geographical location and distance could be dissolved, culture and social relations could be continually re-created, material needs could be gratified instantly by the frictionless global market where purchasing power expanded infinitely via the credit system. Frictionless markets enabled frictionless societies and cultures. These people – sometimes referred to as 'the lords of the universe' – supposedly existed at the continually advancing horizon of creative subjectivity and the past was constantly

disappearing behind them, never to be revisited. In such a state they floated above the world somehow, ungrounded by mere gravity.¹³

Now that we are witnessing this major shock to the liberation of mentality, with the consequent revelation of the incoherence of ultramodernity, we see that the frictionless world was partly illusionary (but only partly) and its incoherence consisted in the ultimately meaningless, nonsensical, juxtaposition of liberated mentality and real social and geographical constraints. Individual and collective subjectivity is always actually *subjected to* structures and power, as Foucault taught. The double sided nature of subjectivity should not be forgotten. The supposed liberation of subjectivity is not the liberation of agency but its opposite. The greater the illusion of personal subjectivity, the lesser the reality of personal agency. The agency of a person is always socially and institutionally contextualised and actualised.

On the Significance of the Haunting Spectres for Tomorrow's Existence

These painful experiences can also be learning experiences, the most important of which are the realisation of, firstly, there are strong constraints on subjectivity from social relations and institutions; and, secondly, collective agency is central to social order, realised through organisations and institutions from local to global levels.

The decline of the agency of political movements and governments and the civil societies that produce bottom-up politics in recent decades has been one of the most striking consequences of market liberalisation. The dominance of markets over governments, states, and civil societies has meant that as markets became increasingly un-regulated except by their own inherent tendencies of stochastic cycles and monopolistic distortions, the role of governments declined. The old ideology of liberal social democracy in its formative years was that political movements and democratic governments were distinct from and should be the governors of both states and markets in the supposed interests of civil society, especially of the working classes. As the 20th Century wore on and hegemonic power developed around the

¹³ This condition of ultramodernity as an extreme form of modernity has been discussed at greater length in Lloyd, C (2000)

capitalist state, governments and their allied institutions, such as labour and civil organisations of voluntarism and co-operation, became increasingly co-opted into the state, which increasingly served the interests of capital and stability. Entropy did decline in this stabilised system in the post-war decades and social agency became routinised rather than adaptive or innovative. From the 1980s, however, the regime of capital and market behaviour began increasingly to break free from states. Individual and corporate greed grew. The minor crises in the 90s and early 2000s simply prompted a new wave of state withdrawal from regulation in the 21st Century, at the behest of market actors who wanted only self-regulation. The era of regulatory state capitalism ¹⁴gave way to that of just regulatory capitalism with self-regulation and self-policing, most especially on Wall Street and in the City of London, which finally crashed in 2008.

A new era of conscious agential change is needed, which has to be about deliberate initiatives and innovations by groups of actors within institutions, including especially within governments at all levels. Only out of re-activated governments, springing from civil societies, can necessary global governance grow. But there is an obvious contradiction here – national governments are re-seizing power but that does not mean they will use their power for the building of a global commonwealth, let alone the establishment or improvement of a local commonwealth. How to ensure that happens is the problem.

It can be argued that social democratic society, which to a greater or lesser extent has characterised the entirety of the developed western world since the late 1940s, with roots in places even back to the late 19th Century, was the developmental and perhaps necessary equilibrating consequence of chaotic and even catastrophic instabilities within capitalism in the 19th and early 20th centuries. Stabilisation and equilibration produced a very different Western World after 1945. The leaders held their breath for a long time as the years and decades went on under the global regulatory regime of Bretton Woods and the bi-polar Cold War. Beginning in the 1970s the post-war structure began to dissipate and instabilities reappeared. But social democratic

¹⁴ cf Braithwaite (2008)

welfare capitalism is not dead, just damaged by some of its own contradictions. Now it's strengths are being reassessed with a new appreciation. Almost every day the *Financial Times*, for example, has something extolling the virtues of the Nordic Model. There is some danger in that, however. We cannot just go back to the future. Fears and expectations are now different.

Which forces of agency are necessary to reform and extend the pax socio-democratia? Socio-economic and political developments in which Martha Nussbaum's and Amartya Sen's¹⁵ authentic human flourishing become possible would seem to require, at the very least, socio-political organisations based on principles of equality and reciprocity and those require, in turn, active progressive governments that are able to constrain bureaucracies, markets, greedy individuals, and racists, on behalf of civil (in the sense of co-operative, peaceful, civilised) societies. Of course there is the ever-present danger of authoritarianism in this project. The issue of the intersection of rights, duties, and constraints is ever present. But so it is in all political strategies and programs, from the totalitarian to the libertarian.

I believe the responsive agency of *democratic and accountable* government that controls and steers markets and state apparatuses and attempts to do whatever possible to enable human social flourishing is the least worst key to a better future at local, national, and global levels. How we can ensure that happens is a practical task that social democratic leaders and activists have to grapple with. In such a conception, governments have to be subjected to democratic politics and politics in turn has to grow out of society. This involves a deliberate strategy of rebuilding socio-political movements by re-engaging all those individuals and groups who became disaffected during the social democratic move to the right over recent decades. In the 21st century with the growth of mass high quality education and the rising curve of interest in political and environmental issues, if not in direct activism,¹⁶ there is a potential for large-scale political re-engagement especially in the wake of the crisis. The Obama campaign revealed this potential. Progressive political leaders and parties must take

¹⁵ Nussbaum (2006). See also Sen (2009) and the discussion in Bull (2007)

¹⁶ This at least is the case as shown by Australian data.

seriously the new socio-biological findings about instincts for reciprocity and equality, open to the red-green left much more willingly, and convert their moribund organisations into democratic social movements on behalf of the planetary society and environment. If they don't then they will decline into complete irrelevance. The old corrupted structures of social democracy centring on cronyism and tribalism have to be replaced by locally and nationally-based red-green-liberal alliances that see beyond national states to form global alliances that tie together progressive governments and social movements. The crisis of globalisation and the spectres that haunt us present an opportunity for a new politics that draws upon the accumulated wisdom of the democratic socialist tradition and opens new horizons on the basis of the grasping of global humanness and reciprocity.

Still, we should heed the words of my favourite rock musicians:

“Behold the bitten apple, the power of the tools
But all the knowledge in the world is of no use to fools.
And it's a long road out of Eden.”

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