Ill Fares the Land

T.Judt

October 13-14, 2010

The 20th Century was the most awful century ever, yet it also saw the greatest political advance ever, namely the growth and establishment of the welfare state in Western countries by the middle of its course. This was a great advance upon the previous state of affairs, when the individual was more or less at the mercy of powers beyond him. Everyone for himself. In many ways the welfare state seems to have come here to stay, but is now taken for granted to an extent that it is seen to be a fit institution for erosion. In the last thirty years there has been a change of faith, that would have been inconceivably only decades before, and whose effects are steadily working on us. For the worse, at least according to Judt. What he deplores more than anything is the loss of the public spirit, of being moved to do things that transcend mere selfish concerns. Of seeing the State not as a benevolent provider, doing what private initiative is unable to accomplish, but something that should be kept out of our lives as much as possible, at least when it comes to the pursuit of individual wealth.

Judt wants to get a few things straight. For one thing Capitalism is not a political creed, it is an economic way of life that can be accommodated under a wide variety of political spectrums, from right-wing reactionary Latin-American states (such as Chile under Pinochet) through Swedish Social-democracy, to the present Communist leadership in China. Capitalism is hence not necessarily incompatible with Socialism, except possibly rhetorically. Capitalism evolving during the 19th century had to be tamed, and so it was during the early part of the 20th century, and one of the heroes of Judt is Keynes, who clearly saw that Capitalism is not self-regulating, that it needs other kinds of invisible hands to keep it on track. The movement to tame economic Capitalism gained a lot of momentum after the First World War, especially after the stock market crash in 1929. There was the New Deal in America, the ramification of which lived through the fifties and sixties, as manifested by the Great Society of LBJ. Also proto-socialist ideas and sentiments were allowed to play a role in American political life, at least behind the scenes, until the Cold War made it appear unpatriotic. In Europe the movement achieved more lasting results and penetrated deeper into the structure of society. The Social-democratic movement, to which Judt is a measured if devoted adherent, had of course a Socialist undertow and background, which supplied it with a vision and a means of standing apart from other liberal well-meaning movements, which however lacked the overarching ideology. But as a political force, it turned out to be pragmatic, especially in economical matters, tolerant, committed to the institutions of democracy, even when it meant its intermittent expulsion form power; and its practical goals were the redistribution of wealth, mostly through progressive taxation, and the creation of a strong state to provide essential services to the public, services such as mail and transportation, healthcare and retirement benefits, which the private sector was not able nor even motivated to supply. In short to create a welfare state, where the life of every individual was dignified, or at least was given the opportunity to lead a dignified life, exempted from material want and its consequences.

Starting from the 80's it all changed. Most conspicuously so in the US and UK, where we can point to the ascendancy of Reagan and Thatcher. A revolution was brought about, the less government the better. The first dig at the powerful state was to outsource the services it had taken upon itself to deliver. The argument being that the private sector could do things much more efficiently than the public, if for no other reason than being driven by the profit motivation. This seemed plausible, after all production was in shambles in socialist countries. However, the kind of services the state felt incumbent to provide, was not those that could be run profitably. So indeed the state had to sweeten the pill for the private contractor, first by selling it well below value and secondly by underwriting any risks. Thus the terms of the markets were perverted, there was the possibility of profit, but not the risk with which it is usually accompanied. Without this balancing factor, it all became a travesty, and services were run even more inefficiently, and as far as any rise in efficiency was to be had, it was only at the expense of curtailing the extent of the services, cutting off the marginal.

There is also a great irony in the fact, that in other sectors the government is allowed to become big and intrusive, such as security. Surveillance, especially in the UK with ubiquitous CCV-cameras, has been allowed on an unprecedented scale, ostensible to protect against crime and terrorism. Furthermore, for similar reasons, military adventures have been launched, often on the flimsiest of reasons, some even downright duplicitous. Talk about big government on our backs.

What was the reasons for all this? Judt regrets that so few people seem to be aware of the genesis. Most who gives it a passing thought blame Milton Friedman and the Chicago school of economists. Judt traces it to the Austrian economists and philosophers such as Hayek and Popper among others. They fled Austria because of the rise of totalitarianism in the 30's, which deeply affected their world-view. They saw planning and social engineering as ultimately threatening to the welfare of a society. Even Popper, who in a way had immaculate social-democratic credentials, is taken to task for warning against social experiments who were not piecemeal. Now Hayek stressed the impossibility of planning a social economy, because of the lack of complete information necessary. But, Judt reminds the reader, the same argument can also be levied against market economics, which also does not function well due to inevitable ignorance. Hayek was also, to be honest, equally critical of its claims, but for obvious reasons he chose to concentrate on the former, maybe thinking that market economy would be tamed anyway.

Thus the intellectual fodder needed for the right was provided by those anti-totalitarian philosophers, whose messages were warped and partly misunderstood. What happened then is history, or maybe rather the end of it. The end of the Cold War provided a missed opportunity, the West was too satisfied with gloating to seize the opportunity. As Judt remarks, the worst thing about Communism in Easter Europe was what happened afterwards. He speculates whether a stable totalitarian regime may be better for the population at large, provided its brings order and basic services and gives employment and an opportunity to be part of a society, than an ostensible democratic regime with huge income differences, lacking basic services and fraught with high unemployment.

The welfare regime turned popular in the West and the basic tenets are still in effect,

and no politician with any sense of self-preservation would be willing to challenge it. Yet the tenor of society is so different. Judt looks back with something akin to nostalgia to his own youth, in the turbulent sixties, when everyone wanted to do something idealistic in life, few people went into law or business, earning money was never an option.

Judt looks back on trains. Unlike many other fads of modernity in transportation, trains have kept up. They brought modernism as they developed in the middle of the 19th century, when they erected temples, such as the big metropolitan railwaystations, which still serve their purposes beautifully¹. Trains have kept up and modernized, they are still the most efficient means of transportations. And they need to be run and supported on a National level, being the very sign of a civilized and modern society. What happened to British Rail was unforgivable, and how fitting that Thatcher claimed never to have traveled on the train. I can but agree with all he says and applaud.

Conservatism may also not be a political creed, as it can be as much embraced by the left as the traditional right. Judt quotes with approval Edmund Burke, who pointed out the continuity of society, that it included not only the present population, but also those who were dead and had contributed, and those who were to be born, and to which the living should in their turn contribute. Conservatism is about appreciating the past, knowing it well, and preserving out of it what is worth preserving. With this attitude² the glorious successes of the leftist projects are definitely worth preserving and if possible reviving. Thus the irony is now that it is the right, or rather the free market-dogmas, who are all for change and for repudiating the past, supposedly for the sake of change and repudiation alone. And, needless to be added, the preservation of privilege, after all the bottom-line.

Judt is dying as he is writing the book, or rather, as I understand, dictating it. He is paralyzed, having but a few months more to live, his physical world becoming more and more restricted. It is clearly a situation of extreme claustrophobia, an extended deathstruggle, which highlights the suffocating nature of dying itself. His book is thus written as a pamphlet, a more or less desperate attempt to write his moral testament, and if possible to induce the young to take a more active part in the business of life, to be more public minded and rise to the challenges that the future invariably will pose, one of them being climate change.

October 14, 2010 Ulf Persson: Prof.em, Chalmers U.of Tech., Göteborg Swedenulfp@chalmers.se

¹ Who can be sentimental about an airport? What outrage to raze to the ground Euston Station in London, Penn Station in New York and Montparnasse in Paris, he fumes.

 $^{^2}$ I remember in 1966 reading a Soviet quote critical about the ongoing cultural revolution in China. It said that one should not repudiate the whole of the past, but keep what was good, and it made me think of the program of the Swedish Conservative party, savoring the irony.