

Book Reviews

The Retreat of Western Liberalism

Edward Luce
publisher; \$XX.XX



The *Financial Times*, based in London, owned by the Nikkei Group in Tokyo, is the most sophisticated liberal newspaper in the English-speaking world. Less assured than the bromide-addicted *Economist*, liberal capitalism's weekly encyclical for the faithful, the *FT* also avoids the excesses of the Jesuitical *Wall Street Journal*. The *FT* is more like the private diary of global capitalism: the most

poignant and pressing anxieties of living in a market-based world are worked out daily in its pink pages. Subscribers who submit themselves to the rigor of its weekly routine are rewarded with the weekend edition, which includes a remarkably intelligent book review section, and an exquisitely mindless supplement called "How to Spend It."

As the current Washington commentator and former South Asia chief, Edward Luce is one of the *Financial Times*' stalwart contributors. His new book *The Retreat of Western Liberalism* neatly collects many of the paper's favorite themes in the form of a long essay. To his credit, Luce is acutely alive to the illness at the heart of liberal capitalism today, which he diagnoses as an autoimmune disease. There is, as everyone knows, galloping economic inequality inside Western societies, and the postwar settlements – forged under Curtin,

Fraser, Attlee and Roosevelt – that satisfied their working classes for a time are now in deep ruin. In 1973 Albert Hirschman famously likened the citizens of Third World countries to drivers in a two-lane highway entering a tunnel: the right lane was willing to tolerate the advance of the left lane for a certain period after their revolutions, but their patience was limited. Now, in a way few liberal commentators besides Hirschman foresaw, this “tunnel effect” is in plain view in the West. There is a rising intolerance for inequalities of all kinds, which has expressed itself in myriad ways: ethnonationalist entrepreneurs such as Trump, Farage and Le Pen, but also astonishing popularity for openly socialist candidates such as Bernie Sanders. If Australia has not yet experienced full populist traction, there is no shortage of figures who are waiting – not so patiently – to take advantage of any tumult.

Luce knows something about what the populist backlash looks like: he has shot guns with Rodrigo Duterte in Davao, interviewed Donald Trump in the White House, and, in an earlier incarnation, written speeches for

one of the leading tribunes of liberal capitalism, Larry Summers. Luce places much of the blame on a class of elites – the Clintonites and “Davos men” (the congregants who flock to the Alps for the annual meeting of the World Economic Forum) – who came to believe that, armed with the panacea of rapid economic growth, the settlements with the lower middle class could be rolled up and retired. Luce does not hold high hopes that either of these elites will learn to correct their mistakes. “Davos specialises in projecting the future from a recent past that took it by surprise,” he writes, in one of the book’s better lines. And: “I have yet to come across a more airtight example of groupthink than Hillaryland.”

The deeper value of *The Retreat of Liberalism* is that it dramatises the condition of an intelligent liberal who has looked in the mirror and found their philosophy of history wanting. Luce seems to be aware of a blind spot in his own way of seeing the world: namely, that it has always required an enemy. The advances of liberal capitalism as an ideology were never surer than in the eighteenth and nineteenth centuries,

when the absolutist regimes of Europe were torn down. Though, as Harvard's Daniel Ziblatt shows in his impressive new book *Conservative Parties and the Birth of Democracy*, liberals were almost always abetted by conservative parties in this work of forging compromises with the *ancien regime* to make liberal regimes possible. In the twentieth century, when liberals faced down totalitarian regimes in the Cold War, they were forced to make concessions on civil rights and labor rights in order to take the wind out of communist propaganda. Nowadays, with no foe formidable enough to challenge liberal capitalism (China's authoritarian capitalism is not enough at odds with it, and radical Islam has not yet been able to build a significant enough economic engine to make it a real alternative), liberals have become their own worst enemies. Luce has aimed his essay at liberal readers who want to regain their ground without yielding too much to the right or the left.

But while Luce offers a mostly deft diagnosis of the liberal crack-up, *The Retreat of Western Liberalism* also exhibits a series of weaknesses in current liberal thought. First,

he has a regrettable tendency to present common sense as something wildly counterintuitive. Luce, for instance, makes it seem like he is going out on a limb in criticising the role of digital technology in politics: "One of the bedtime stories we tell ourselves is that technology is everybody's friend." (Who tells this bedtime story anymore, besides Mark Zuckerberg?) Second, there is also a relatively sentimental line in the book that simply exhorts people to be better and do the right thing: "[I]t is character, rather than laws, which upholds a system." (What about interests? What about power?) Third, there is a tendency to reduce the ideas of thinkers to their most clichéd receptions: Francis Fukuyama was not, as Luce contends, excited about the "end of history" in 1989 – he was instead weary about the prospect of liberalism being the last ideology left standing. Karl Marx was not, as Luce contends, incapable of imagining that wealthy elites might not have much use for the nation as a vehicle for their interests.

More severely, Luce captures the conceptual confusion in today's liberalism by regaling readers with

the usual laundry list of crises facing the liberal West: cyber war, nuclear proliferation, financial improprieties, new monopolies, etc. But he provides little sense of which are the greatest problems or what the priorities should be. There is a point where Luce mentions, almost offhandedly, that capitalism may be slowing down globally, but he barely pauses to consider the political implications of such a seismic possibility. Acutely aware that he is a journalist prone to presentism, Luce nevertheless highlights immigration as one of the main possible threats

to Western states because of the way it can threaten social welfare schemes. The same Luce who is mortified by Trump is nevertheless willing to take on a lighter version of “keep them out” policies in order to deflect Trump’s appeal. “Humane immigration laws should be enforced,” Luce writes, “and the link between public benefits and citizens restored.” Drop the pretense of “humane,” and you have a campaign slogan for any number of Australian political parties defending the liberal faith in an increasingly profane world.

Thomas Meaney

***Navigating the Future:
An Ethnography of Change
in Papua New Guinea***

By Monica Minnegal and
Peter D. Dwyer, ANU Press, 2017



It seemed a good, even worthy, idea at the time. In the ’70s, there were a half dozen resident Australian correspondents reporting from Papua New Guinea. By 2009, when I was angling for my first reporting trip to PNG, there were just two: for the ABC and for the wire service Australian Associated Press. (By 2013, the AAP bureau would also be boarded up.)

Then a senior writer for the *Age*, I had a niche enthusiasm for reporting aid and development. Indices