

Trust and Cultural Difference in an Age of Digital Platforms

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Whitlam Then and Now

We are gathered at this important event today to commemorate the 50th anniversary of the diplomatic recognition of the People's Republic of China by the Australian Prime Minister Gough Whitlam. When elected in December 1972, Whitlam was the first leader of the Australian Labor Party to be elected the Prime Minister of Australia since 1949, and diplomatic recognition of the People's Republic of China was one of his first acts in that role, alongside the withdrawal of Australian troops from the U.S.-led war in Vietnam.

As would be well known to an Australian audience, the tenure of the Whitlam Labor government was a short one. The Governor-General at the time, Sir John Kerr, controversially dismissed the Whitlam Government on November 11, 1975, at a time of great constitutional, economic and political turmoil. Since the Fraser Liberal-Country Party government led by Malcolm Fraser was elected in December 1975, Australia has had ten Prime Ministers in 47 years, of whom five have been with the conservative Liberal Party and five with the more progressive Australian Labor Party.

For 30 of those 47 years, Australia has had conservative governments led by Malcolm Fraser (1975-83), John Howard (1996-2007), Tony Abbott (2013-2016), Malcolm Turnbull (2016-2018) and Scott Morrison (2018-2022), with Labor governments for 17 of the 47 years led by Bob Hawke (1983-1991), Paul Keating (1991-1996), Kevin Rudd (2007-2010 and 2013), Julia Gillard (2010-2013) and, most recently Anthony Albanese, elected in May 2022. It is fair to say that, for the majority of the period since Whitlam, conservative governments and a centre-right political agenda have been the dominant force in Australian politics.

The political legacy of the Whitlam era continues to be debated in Australia. His enthusiasm for supporting the arts, eliminating fees for university courses, expanding the economic and social roles of government, and pursuit of an more independent foreign policy have seen his government continuing to be championed on the political left, with a widely held view being that the period since Whitlam has been marked by a retreat from social democracy towards what critics would come to term neoliberalism, and an embrace of free-market economics (Beilharz, 1994; Pusey, 1991).

Others took the Whitlam years as a cautionary tale, arguing that it went “too far, too fast” in the pursuit of social reform, and that substantive change required both a strong focus on the economy and a preparedness to move slowly in the face of a conservative media and sections of the electorate resistant to change. This incrementalism characterised the successful Hawke and Keating Labor governments and, less successfully, the Rudd and Gillard governments. Finally, among those on the political right, there was a highly iconoclastic view that the lesson from Whitlam was to pursue a radical policy agenda at all costs, to make lasting changes before your political enemies could organise against it (Roskam et al., 2012).

A sense of the lasting legacy of the Whitlam period from the perspective of the present is provided by the current Australian Prime Minister, Anthony Albanese. Writing in the newspaper *The Australian*, Albanese has observed that:

In the 50 years since 1972 Australia has changed in countless ways. Trade and technology have transformed our economy. We are more modern and more confident, more equal and more diverse. Where once we spoke of the “tyranny of distance”, we

now embrace the opportunities in the Asian region, home to the fastest-growing economies in the world (Albanese, 2022).

From this perspective, the Whitlam vision was one which offered the possibility that greater openness - in culture, trade, migration and the movement of people, access to new technologies, and cultural identities - would be the cornerstone of progressive politics. There are variants of this proposition. For some, this points to the need for an expanded commitment to education, culture and social welfare, as well as leadership on international human rights issues, so that Australians can experience a greater cultural openness to diversity and difference. The new government's National Cultural Policy points in this direction, with its 'five pillars' for Australian culture including placing First Nations at the centre of our arts and culture, reflecting the diversity of our stories and the contribution of all Australians as the creators of culture, and celebrating the role of artists and cultural institutions to the nation's identity and projection of culture internationally (Australian Government Office of the Arts, 2022).

For others, this proposition has been more straightforwardly economic. It involves linking to the regional powerhouses of the Asia-Pacific, most notably China, and expanding trade, investment, skilled migration, and the expansion of service industries such as education, as well as the more traditional industries such as mining, agriculture and tourism, to generate new wealth and prosperity. The Whitlam government began the process of dismantling what had been known as the 'Australian settlement', where high import tariffs protected local industries, and with them local jobs and industries, and this accelerated under the Hawke and Keating Labor governments, as well as under the conservative governments. From this perspective, an outward-looking Australia could be more economically competitive and capture new global markets through exports and investment abroad, while being open to foreign investment and

imported goods available to consumers at lower costs than would be the case if they were locally made. The former Australian Prime Minister, Bob Hawke, argued that ‘Australia’s self-interest is served by a steadfast refusal to return to the days of protectionism’ (Hawke, 1991).

Globalisation and its (Australian) Discontents

From two different directions – social justice and liberal economics – the Whitlam era in Australia heralded the onset of what would come to be known as the age of globalisation (Beck, 2000; Giddens, 2003; Held et al., 1999). Whitlam provided a template for the Hawke and Keating Labor governments to pursue economic and social reform in the 1980s and 1990s. These reforms simultaneously aim to make the Australian nation more ‘open’, and with this more diverse, tolerant, future-oriented and an engaged nation in international forums. The Introduction to *Creative Nation*, the National Cultural Policy document released in 1994, captures this *zeitgeist* very succinctly:

In recent years we have learned that there is much to gain and little to fear from being open to the world. It is as true of the culture as it is of the economy. In fact the meeting of imported and home-grown cultures has massively enriched us. Relatively few manifestations of the old xenophobia and insecurity remain. Multicultural Australia -- a society which is both diverse and tolerant of diversity, which actively *encourages* diversity – is one of our great national achievements (Communication & Arts, 1994, p. 3).

Australia also provides a template for the revised vision of social democracy in the Western liberal democracies that would emerge in the 1990s and 2000s, under the general banner of the 'Third Way'. The socialist political historian Donald Sassoon would refer to this as 'neo-revisionism, as it assumed that the purpose of left-wing and centre-left parties involves:

accepting that the object of socialism is not the abolition of capitalism, but its co-existence with social justice; that regulation of the market would increasingly be a goal achieved by supra-national means; that national – and hence parliamentary – sovereignty is a limited concept; that the concept of national roads to socialism should be abandoned ... Neo-revisionism entails accepting important aspects of the conservative critique of socialism – including the association between collective provision and bureaucratic inertia (Sassoon, 1998, pp. 734-5).

With the concepts of globalisation and capitalist modernisation increasingly displacing socialism as a guiding principle of parties of the Left and centre-left, the other key ingredient in the mix would be technological change. The popularisation of the global Internet from the 1990s onwards appeared to open up the possibility of a genuinely global and open knowledge system, as a networked informational infrastructure upon which participatory solutions to common problems could be shared among the states and citizens of the world. As the American international political economist James Rosenau described it:

The advent of networks and the flow of horizontal communication has brought many more people into one or another aspect of the ongoing dialogue. The conditions for the

emergence of a series of global consensus never existed to quite the extent they do today (Rosenau, 2002, p. 85).

Into this heady mix of the global Internet, open culture, economic and cultural globalisation and neo-revisionism, it was possible to proclaim not necessarily the 'End of History' (as Francis Fukuyama famously did in 1994), but a narrowing of the domain of the political from one of existential ideological conflicts to one of technocratic management of a shared global future. The New York Times writer Thomas Friedman referred to the 'Golden Straitjacket', where sovereignty is traded off against free trade and economic prosperity, meaning that 'your economy grows as your politics shrinks' (Friedman, 2001, p. 104). The U.K. Prime Minister and 'Third Way' pioneer Tony Blair argued to the 2005 Labour Party Conference in Blackpool that debating globalisation was as pointless as debating 'whether autumn should follow summer', since 'the character of this changing world is indifferent to tradition' (Tony Blair, quoted in Goodhart, 2017, p. 7). With regards to the question of whether nation-states could or should regulate the Internet, U.S. President Bill Clinton famously rebuffed talk of the Chinese government regulating Internet content with the comment 'Good luck with that. That would be like trying to nail Jell-O to a wall'.

Such visions of global digital utopianism were always contestable, and the 'return of the nation-state' was arguably triggered by the 9-11 attacks on New York and Washington, and the subsequent focus upon national security in digital environments. The former World Bank Chief Economist Joseph Stiglitz wrote in 2002 about *Globalisation and its Discontents* (Stiglitz, 2002), arguing that globalisation was less about shared global communities of fate than it was about the reassertion of U.S. hegemony in global affairs through the 'Washington Consensus' and its role in shaping economic decision-making in nation-states. Dani Rodrik developed the

‘impossibility theorem’, arguing that the era of what he termed hyperglobalisation sought to reconcile what were irreconcilable goals of global governance, national sovereignty and democratic politics (Rodrik, 2011).

Politically, the rise of national populisms around the world has been linked to a backlash towards globalisation. The rise of populism is clearly inked to cultural factors such as what Pippa Norris and Ronald Inglehart termed the backlash against ‘a silent revolution in social and moral values’ towards social liberalism and post-materialism (Norris & Inglehart, 2019, p. 15). These have included greater tolerance of cultural and sexual diversity, increasingly multicultural societies, rising access to university education, urbanisation and more egalitarian gender roles, and the backlash has been among those who felt ‘left behind by cultural tides that they deeply reject’ (Norris & Inglehart, 2019, p. 16). But as Jeffrey Frieden has observed, the populist backlash also has economic roots in rising economic inequalities over the 2000s and 2010s. In particular, the uneven distribution of costs and benefits of economic globalisation have become increasingly apparent. For highly-educated knowledge workers in major cities, greater integration into global markets offers substantive economic benefits, but for lower-skilled workers in rural and regional areas losing jobs to cheaper imports the costs are real, and governments have failed to enact compensation mechanisms that could address these inequalities (Frieden, 2019).

The Piketty Thesis and the Rise of Populism

The French economist Thomas Piketty has been one of the most influential social theorists of recent years. In *Capital in the Twenty-First Century* (Piketty, 2014), Piketty provided extensive data on trends in global economic inequalities to argue that, in the absence of countervailing

measures by governments to redistribute income and wealth, capitalism has an inherent tendency to increase inequalities, as the rate of return on capital generally exceeds the rate of economic growth ($r > g$). While electoral pressures arising from a unionised workforce and social democratic political parties stimulated such redistributive policies from the 1930s to the 1970s, that changed from the 1980s onwards as the rise of ideologies which justified economic inequalities such as neoliberalism, and of political parties and movements that sought to reduce the size and scope of the state over economic activities, saw such inequalities increase to levels not seen since the 1920s.

In *Capital and Ideology* (Piketty, 2020), Piketty elaborated upon these arguments, while also developing new propositions about the rise of populist politics. Addressing the critique of *Capital in the Twenty-First Century* as being economically determinist, *Capital and Ideology* stresses the point that ‘ideas and ideologies count in history’ (Piketty, 2020, p. 1035). The particular aspect of ideas, ideologies and politics that captures Piketty’s attention is the failure of left and centre-left political parties to make electoral headway in many parts of the world since the Global Financial Crisis of 2008. Instead, he notes the major beneficiaries of disaffection with the political *status quo* have been populist movements, parties and leaders, who have tapped into a diffuse anti-elitism which pits the ‘will of the people’ against distant and unaccountable elites (Moffitt, 2020; Norris, 2020).

For Piketty, the core structuring feature of advanced liberal democracies over the last 60 years has been the manner in which political parties of the centre-left have increasingly become parties of the highly educated. In the 1950s and 1960s, the voting base of parties such as the U.S. Democrats, the British Labour Party, the French Socialists and others was strongly rooted in lower-income voters and communities, meaning that primarily working-class parties pitted

against political opponents whose voter base was the middle- and upper classes. From the 1960s, however, there is a consistent pattern whereby the percentage of those with the highest levels of education (tertiary qualifications) voting for the parties of the centre-left continues to increase. In Australia, this shift in the Australian Labor Party begins with the Whitlam period, and has been a consistent feature of the subsequent fifty years.

This does not necessarily mean that political parties of the right or centre-right become parties of the less well-educated, in spite of the confident claims of Trump and others to ‘love the poorly educated’. Piketty notes that even in the United States the votes of high-income earners split more-or-less evenly between the Republicans and Democrats, and the strong preference of ethnic and racial minorities for left and centre-left parties means that the average income of voters for right-wing parties remains higher than that of left-wing parties. Surveying voting patterns across 21 Western democracies from 1948 to 2020, Gethin, Martínez-Toledano and Piketty found that parties of the right still attracted the majority of higher-income earners – but with the U.S. at 50:50 by 2010 – but that left of centre parties overwhelmingly attracted voters with higher levels of education, thus reversing a historical pattern (Gethin et al., 2021).

Insert Figure 1

As a result of these trends, Piketty refers to the trend as the rise of a ‘Brahmin elite’ on the political left. In the case of the United States, the party system in the period 1990–2020 has become ‘a system of multiple elites, with a highly educated elite closer to the Democrats (the “Brahmin left”) and a wealthier and better paid elite closer to the Republicans (“merchant right”)’ (Piketty, 2020, p. 815). This development has at the same time exposed the fragility of the coalition that links the traditional working-class support base of such parties and the more

highly-educated supporters dominant in these parties under the new alignment. It leaves parties of the left and centre-left open to the challenge of representing the ‘winners of globalization’ (Piketty, 2020, p. 816), and losing those who are ‘left behind’ by globalization and technological change to anti-elitist populism.

Another feature of politics where education, rather than class or income, becomes a primary divide is the growing significance attached to cultural factors as markers of political identity. Pippa Norris and Ronald Inglehart (Norris & Inglehart, 2016; Norris & Inglehart, 2019) have observed that the economic platforms of populist parties tend to run across a spectrum from being strongly pro-market to being strong supporters of state intervention, and that the economic circumstances of their voters vary considerably between parties and across countries. At the same time, a common feature of the populist parties they have studied has been a tendency towards ‘traditionalist’ conceptions of culture and suspicion of what they view as ‘cosmopolitan’ cultural values. (Norris, 2020).

Norris cautions that, while the majority of populist parties are socially and culturally conservative, their defining feature may be less social conservatism as much as a hostility to pluralism. Those aspects of liberal democracies that mitigate against direct rule by the people, such as the valuing of minority rights, an independent judiciary, binding global agreements, multiculturalism, media that is critical of government, and the celebration of social and cultural diversity, tend to attract the most hostility from populist parties. This dynamic intersects with nationalism insofar as the ‘will of the people’ is by necessity a national will: global institutions are seen as distant and inherently undemocratic in their nature.

Drawing together the accounts of changes in voter behaviour from Piketty and his collaborators, and those dealing with populism from Norris, Inglehart and others, we can see a four-fold divide in contemporary liberal democracies, based on education on one axis, and economic values on the other.

Insert Figure 2

Mediated Trust in an Age of Digital Platforms