"OF THE DISCOURSE THAT WE NEED"

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Justin [Kilcullen],
May I thank you for your kind introduction, and may I thank also Social Justice Ireland for their invitation to address this conference today.

A Chairde,
I was very pleased that Dr. Healy included a quote from the late T.K Whitaker in the preface of the programme. Last year, I had the opportunity to reflect on his life - a life dedicated to the service of this society and its citizens- and I quoted then, and may again quote now, his vision of economic expansion as means not an end:

"Let us remember that we are not seeking economic progress for purely materialistic reasons but because it makes possible relief of hardship and want, the establishment of a better social order, the raising of human dignity, and, eventually, the participation of all who are born in Ireland in the benefits, moral and cultural, as well as material, of spending their lives and bringing up their families in Ireland."

The theme of this conference echoes such a vision. – Addressing the changes and the fracture in the relationship between the citizen and society has been a matter of great importance for me throughout my Presidency.

It is a relationship that was fraying long before the onset of the Global Financial Crisis, but it has markedly lost cohesion in these last ten years, aggravated by a global macro-economic policy response that saw the losses in so many economics socialised while the gains of the financial sector were not just privatised, but concentrated at the peak of the wealth and income pyramid. Unprecedented programmes of austerity became mainstream for citizens and countries reeling from the consequences of an era characterised by a new form of lightly regulated speculative capital.

May I contend that at the heart of our present discontents lies a deep and growing disjunction in the distribution of power and authority, not simply between the citizen and the state, but between the state and legally protected concentrations of wealth and power, namely incorporated and non-incorporated organisations, and then in turn between the citizen and the actions and policies of those same organisations. In short, we are coming from a period when the state has retreated, or been ideologically pushed to retreat, or redefine its role, the citizen's social opportunity to fully participate or flourish, as many social philosophers would put it, has been diminished, and unaccountable sources of wealth and power have advanced.

In place of public or common modes of allocating resources, we have witnessed the expansion of what is often simply referred to as, in a form of shorthand, as 'responding to the market'. This is offered as the pre-eminent justification for a taken for granted method of determining and distributing wealth and power in our society.

Such phrases come from a strategic, and in so many places hegemonic, discourse, one that rewards a small set of wealth owners, or managers 'compensated' for speculative skills, and at the same time serves as a form of mystification, one aimed at hiding a suggestion of inevitability, but in recent times has come to be simply perceived as harsh by an increasing number, for example on the European Street.

The transition, in its day, between The Theory of Moral Sentiments (1759) of Adam Smith and his Wealth of Nations (1776) drew a more extensive debate in the eighteenth century than the changes in contemporary international economies, that are in our time presented as near inevitable, and that are being delivered as their sole policy choice to publics suffering the burden of what Pope Francis has called a 'plague of indifference'. This includes not just the authors of policies but weary publics that are looking away, averting their gaze from deepening inequalities, the welfare of workers, the plight of migrants. He was referring to publics that, in the absence of technical literacy, felt they could not initiate change, were forced to accept what was socially damaging as ‘inevitable’.

Responding to the necessary transformation of this relationship between economy and society is an urgent priority, in times that are marked, in the absence of an adequate and inclusive discourse, and I believe as a consequence, by the rise of an ever more rancorous rhetoric, often sourced in despair, alienation, anomie, exclusion, which produces statements that seek to divide us against one another on the grounds of ethnicity, religion and nationality.

The persistence of a failure to critique or challenge a political economy which maintains and even deepens existing inequalities of income, wealth, power and opportunity within societies and between nation-states is eroding social cohesion. These inequalities in wealth accumulation are often delivered to the public as celebrations of individual genius. The absence of an inclusive discourse has in too many places led to the recrudescence of a vicious politics of the far-right - that in form, content and iconography – many of us had hoped never to see again.

I do not wish to speculate at length here today on the origins, trajectory or destination of these terrifying new political forces - all of which raise complex questions – except to reflect that political formations of the far-right draw, in part, on the support of those who feel disconnected from the democratic political communities of which they are putatively members, and disenfranchised in their social and economic lives.

I do want to urge caution on misuse use of concepts such as ‘populism’. To dismiss the excluded simply as negative carriers of populism is wrong. There have been after all popular movements that initiated change in the form of achieving or deepening democracy, towards universal health provision, housing and social protection.

I sense that this issue of the missing critical discourse that we need is now coming to the fore.

The silence is being broken.

I believe we are entering a period of time in which, for the first time in many years, the future shape of the European Union will become a matter of contestation and everyday debate.

As we begin to listen, or are induced to listen, to the European Street, the voices may at first appear as inchoate, discordant and incoherent to those of us who may have had the advantage of decades of occasional or adequate engagement with the institutions of the European Union.

We must not be afraid. In the coming debates, we will have an opportunity to draw to on the best moments of our national and European histories, including those significant moments of our most egalitarian and humane traditions, and on the rich sources of solidarity, humanism, innovation and capacity which can inform and transform the experience of the European Street.

We are reaching a critical juncture, for we are indeed at a moment when it is clear that the Union cannot adequately be reconstructed from above, but rather must be renewed and rebuilt from below. This is necessary if we are to recover even a semblance of authenticity for the concept of 'Union itself', if the concepts that were invoked at the founding, offered as legitimation of its Treaties, are not to be construed as an empty rhetoric. Again, I use the term rhetoric with care. It has, and can be, emancipatory, if it reveals an authentic intention or purpose and is delivered with consistent practice.

One of our tasks in the next decade must be to restore the cohesiveness of our communities here at home in this country and in the European Union, to elevate, once again, the project of the universal citizen, the welfare and the role of participating citizens in making and shaping their own lives and the lives of their communities.

This necessary task, if undertaken with ethical intent, can contribute to rebuilding and sustaining our capacity and our willingness, as citizens and human beings, to work together to lead fulfilling lives in all spheres of human activity. For it is only by restoring social cohesion that we can confront the great challenges that lie ahead: the requirement for just and sustainable development; the urgent necessity to address the causes and consequences of climate change; and the imperative of welcoming those fleeing war, persecution, famine and natural disasters.

I often feel like asking the difference it would make if we were to consider the concept given to us by Immanuel Kant – 'cosmopolitanism' – as a source of our thought, reconciling as it does the best of internationalism with ethical practice at home; if we had made that reflection rather than relying on an uncritical acceptance of the term 'globalisation' which really is interconnected trade.

To achieve any new departure, we must be very clear of the causes of our present distempers, and so I am very pleased that many of the papers presented here today reflect on and describe some of the manifold sources of the fracturing of the triadic relationship between citizen, state and society: growing inequalities in wealth and income within and between nations and regions, the rise of new forms of work characterised by precarity, and the threat to, or even curtailment of some of the most foundational elements of our systems of social protection.

May I suggest that we must first acknowledge that these changes in our society are not natural phenomena – the result of the inevitable laws of history or economics – they are the result of a distinctive set of policies and a political philosophy which has been pursued over the past forty years to the point that it has become what the French call the pensée unique, the single permitted form of political and economic thought.

In acknowledging this, we are challenging a discourse which assumes, and often baldly asserts that, amongst all the means, the models of theory and practice, by which we may organise the distribution, consumption, production and exchange of resources in our societies, there are only a few options as sources of policy which may even be countenanced.

I am speaking of course of the theory of politics we know as neoliberalism, a term initially used by a very small group of radical economic thinkers to describe a distinctive and marginal economic and social philosophy.

Developed as a minority view in an age when governments of left and right defended, at home, the consensus of the Keynesian welfare state and, abroad, the international economic order as symbolised by the Bretton Woods agreement, neoliberalism offered a radical alternative vision of human society, simultaneously drawing on a version of the liberalism of the past and the technological possibilities of the future.

Neoliberalism is now widely recognised as a term which describes a philosophy of government, one which has elevated the simplifying assumption of man as a utility-maximising economic agent motivated by a form of instrumental rationality as was suggested in neo-classical economics to now, being as advocated by more fundamentalist adherents, to an organising credo of all human activity.

'Self-interest' is elevated into the status of uncontestable assumption, and perhaps often claimed as the only, moral ideal. Its ethic of liberty is, in Milton Friedman's dictum in Capitalism and Freedom, 'the absence of coercion of a man by his fellow man'.

Based upon these two foundational principles, Friedrich van Hayek took from Ludwig von Mises a term 'catallaxy', from its use in antiquity, to describe the process by which relative prices guide and co-ordinate production and consumption revealing and satisfying the preferences of 'the rational individuals' imagined by neoliberals.

It was an alternative usage to Aristotle's 'Oikonomia' which meant a direct a single household. Hayek's term was to refer to a group of individuals interacting in accordance to their shared self-interest.

The accuracy of prices, it was suggested, is considered necessary to ensure the most efficient use of resources, and such accuracy is of course considered to be created by competition and competitive exchange. Decision-making in this model is devolved, at least in theory, to the rational utility maximising individual, so that any notion of the 'common good', that is revealed, or might evolve, by deliberative discourse, is to be regarded as suspect.

Some distinguished economists did of course engage with this and went on to expose the tenuous basis of this assumption pointing, for example, to what was a galaxy of asymmetries of information in the practical delivery of the market.

This version of economic thought, neoliberalism, which became hegemonic in many political settings in recent decades implied and required a retreat for the state and other non-market mechanisms from any role in the allocation of resources. Accordingly, it implies the extension of the utilisation of the price mechanism to allocate resources – or to put it another way, the creation of markets – to ever more realms of public life.

I recognise that only a minority of economists subscribe to the Hayekian or Friedmanesque extremes of this political theory, and fewer still would elevate it to the status of the organising principle of human society. Nonetheless, 'neoliberalism' appeals to neo-classical economic theory for validation, as it seeks to subsume legitimate questions of public policy under supposedly unchangeable or immutable laws of what it suggests is human nature. Reductionist in its assumptions, the problem is that the assumptions and the consequences of its overreaching influences on technocratic policy shapers have not been subjected to sufficient scholarly critique.

We can describe whole policy programmes based on the political theory I have outlined as neoliberal. I speak of those programmes which are concerned with the creation of markets where there were none, the demand for markets where they are damaging to social protection or participation, or the retreat of the state from control of or intervention in, the operations of markets.

This evaluation of what was once a marginal theory has required an affirmative decision to withdraw on the part of the state, and often, following this to the erection of elaborate mechanisms to reregulate market operations along the lines elaborated in theoretical economic models. As the scholar of international economics Susan Strange said, 'it is very easily forgotten that markets exist under the authority and by permission of the state, and are conducted on whatever terms the state may choose to dictate, or allow'.

If I may, I wish to illustrate this point by examining the policy-induced changes in international monetary system over the past forty years, and to compare and contrast the policy regime of the post-war years, adopted during the thirty-year expansion of employment, output and productivity adopted between 1945 and 1973, with the neoliberal policy regime which gradually replaced it, and which still today is embedded in the thinking about international financial markets. For example, when we speak of 'globalisation', a usage that trips easily off tongues, far from introducing a conceptual system open to scrutiny, we are really referring to the outcome of the policy of liberalisation of capital markets.

At the heart of the post-war policy regime lay the Bretton Woods currency system, which represented a compromise between the visions of the British representative John Maynard Keynes and the New Dealers of the United States.

As part of this compromise, a fixed currency based on the dollar – which itself would be convertibility to a fixed quantity of gold – was established, protected and policed by a system of capital controls with the addition of flexibility in the adjustment of exchange rates from time to time.

The international relations scholar Professor John Ruggie has referred to this regime as a form of 'embedded liberalism', as it enabled an element of domestic autonomy to allow governments pursue national goals and construct national welfare states without the kind of sudden adjustment shocks imposed by balance of payment disequilibria which so affected national economies under the gold standard regime of the nineteenth century.

We must recall that this compromise relied on a dramatic suppression of the role of financial firms in the allocation of resources and it effectively subordinated the operation of financial markets to state control through the use of control of movements of capital. As John Maynard Keynes stated, capital controls were to be 'not merely as a feature of the transition, but as a permanent arrangement, the plan accords to every member government the explicit right to control all capital movements. What used to be a heresy is now endorsed as orthodox'.

Time and time again during the Bretton Woods period, governments would use capital controls to maintain their domestic policy autonomy and, for example, the objective of full employment rather than raise interest rates or reduce government expenditure by way of response to periodic balance of payments crises.

The Bretton Woods system came to an end in 1971, as a result of what has become known as the 'Triffin' dilemma. As foreseen by Maynard Keynes in 1944, the use of the dollar as the international reserve currency led to a constant current account deficit on balance of payments of the United States as it was required to supply the necessary liquidity to ensure, for example, the operating of the global trading system.

Successive governments United States were, unsurprisingly, unwilling to reduce domestic economic activity through expenditure cuts, interest rate rises or tax increases to reduce the current account deficits, and instead relied on the imposition of capital controls.

These controls were in turn undermined by the promotion, by certain governments, of the growth of the 'Eurodollar' market, which became centred in the City of London. The large quantity of dollars built up by US private and public investment were deposited in international branches of the US banks, at interest rates higher than those allowable by the Federal Reserve in this era.

These Eurodollars created a quasi-international capital market and pool of freely-tradable dollars outside the control of the Federal Reserve. Unable to devalue because of its role as the international reserve currency, unwilling to reduce military adventures abroad or social programmes at home, the United States was placed under increasing pressure during the late 1960s by other states, some of whom threatened to redeem their dollar reserves for gold.

The pool of Eurodollars became a weapon of speculators, who were gradually restoring themselves after decades of financial suppression, to attack an overvalued dollar.

Under such intense pressure and unable to compromise any domestic economic autonomy, the United States, the anchor of the Bretton Woods system and under some pressure from a piece of adventurism by President de Gaulle, presided over its dissolution in 1971, by suspending convertibility of dollars into gold and imposing emergency import tariffs, and price and wage controls.

The collapse of Bretton Woods in 1971 and the Oil Shock of 1973, a sharp increase in oil prices experienced as a result of the embargo imposed by the Organisation of the Petroleum Exporting Countries, brought an end to historic period of economic expansion in the capitalist world.

The ‘petrodollars’ held by the residents of the oil-producing countries were recycled through the Eurodollar market, which in turn, as those of us who were familiar with South American realities in the 1980s will recall, were used to purchase the debt of governments of the Global South.

There was always, throughout the 1970s and the 1980s, among some leaders, the consequences of a possibility of international co-operation that might address the joint economic challenges facing both East and West, North and South. We might recall the Declaration for the Establishment of a New International Economic Order, adopted by the United Nations General Assembly in April 1974.

I recall Willy Brandt coming to Dublin promoting its vision, based as it was on ‘theory of interests’ but open to redefining international economic relations.

It demanded the right of developing countries to regulate and control the activities of multinational corporations within their territory; the freedom to nationalise foreign property; freedom to establish associations of primary commodity producers; the provision of economic and technical assistance; the transfer of technology; and an international trade order based on the stable prices for raw materials and generalised non-reciprocal and non-discriminatory tariff preferences. This, to our ears, sounds utopian now, such is the enclosure of the imaginative space.

As we know, the policy response which came – and the political forces behind that response –took a quite different path. The biographers of Julius Nyerere tell us of his meeting on a return from Canada: ‘They mean nothing of it’, and he went on to say, ‘we have lost an opportunity for change.’

The alternative came to be, and the international monetary system was refounded upon the principles of international capital mobility and financial deregulation, based on the assumption and assertion that private financial institutions would ensure the most efficient distribution of resources internationally, and that newly emboldened financial markets would discipline wayward governments through the changes to price of government debt or through capital flight.

This 're-emergence of the global finance', as the scholar Eric Helleiner has termed it, occurred far more rapidly than trade liberalisation, partly because there were few costs to a state to it unilaterally allowing an unregulated international financial market such as the Eurodollar market to emerge.

The creation and re-creation of financial centres thus facilitated a transfer of accountability, involvement and thus power from the democratic state to the market, and more specifically to new financial conglomerates. These are new phenomena unamenable to influence in many ways and the influence of previous forms of mediating institutions, treaties or advocacy. Capitalism had changed form and its counter-balancing forms were slow to adapt.

The answer to the impossible trilemma posed by economists – that a country must choose, between free capital movement, a fixed foreign exchange rate, and an independent monetary policy – was decisively answered by the renunciation of capital controls.

Central banks were tasked with controlling inflation, and full employment targets were abandoned. Those countries in fixed currency regimes, such as the Exchange Rate Mechanism of the European Monetary System, opted to effectively hide their anti-inflationary efforts behind a commitment to the Mechanism. This became a quasi-constitutional principle, the most often quoted appeal for a solidarity of interests within the Union.

Though some of the initial interest rate increases and monetary policy manoeuvres of the early nineteen-eighties were undertaken under the cover of the monetarist fallacy – one quickly abandoned - that one could control inflation by restricting growth of the money supply I am inclined to agree with the late Tommy Balogh who saw in this policy simply the tolerance of high levels of unemployment to reduce wage inflation, or what he called 'the incomes policy of Karl Marx'.

Beginning in the Anglophone world in the late 1970s, a programme of neoliberal restructuring was pursued through the removal of all constraints on the growth, use and flows of capital and wealth, the privatisation and contracting out of state assets, the redistribution of income through sharp reductions in the taxation of capital income and increases in consumption taxes and charges for public services, and the use of high interest rates and dismantlement of collective bargaining to control inflation. John Kenneth

Galbraith pithily summed up ‘the doctrine of the eighties, namely that the rich were not working because they had too little money, the poor because they had too much’.

As we may recall, one of the effects of the decision to dramatically increase interest rates in the United States – the so-called ‘Volcker Shock – was to increase the cost of repaying the recently issued dollar denominated debts of the developing world which had been purchased with petrodollars often recycled through the Eurodollar markets.

This forced many countries, throughout the 1980s and 1990s, to turn to the International Monetary Fund to service this dollar denominated national debt. In return, as we are all too familiar, they were forced to accept ‘structural adjustment programmes’ based on the ‘Washington Consensus’, the now familiar neoliberal policy prescriptions of privatisation, liberalisation of capital markets, and the imposition of what is euphemistically called labour market flexibility.

The results are well known: reductions in economic expansion, exposure to the volatility of international capital markets; and increased precariousness for working people.

It was only in the late 1990s that senior officials in the International Monetary Fund and World Bank began to doubt the efficacy of the ‘Washington Consensus’, and it is only now that those institutions are beginning to return to some elements of the wisdom of their founding father, John Maynard Keynes, and to recognise that the control by the state of capital flows in the public interest should not only be permitted, but should at times be actively encouraged.

Many of the sources of the fractured relationship between citizen and state that will be discussed here today - increasing inequality in income, power and wealth, the breakdown, in some countries of a positive relationship between productivity and wage growth, the continuing power of overmighty financial markets in misallocating and distorting investment, the increased precariousness of employment, particularly for young people, and even the reduction in the labour share of the proportion of national income - may be traced to the retreat and transformation of the role of the state in the neoliberal era. As I have outlined I believe that this commenced in the 1970s and still, without perhaps the same self-confidence as before, continues today.

I would add one more major player to this list of sources, one which is perhaps indeed one of the most important phenomena of the neoliberal era, and that is the growth of the power, wealth, income and influence of the multinational company.

This should give us pause for thought, for if we return to the idealised 'catallaxy' of Friedrich von Hayek, there is an implicit assumption that most economic interactions occur between individuals and firms, rather than within firms.

This lies at the heart of the prescriptions of the role of the market in ensuring individual freedom that one hears from time to time from neoliberals. As the great polymath Herbert Simon observed, a large amount of economic activity takes place within firms, through the lines of authority between company boards, managers, and workers.

The most powerful, and insufficiently transparent and accountable, economic organisation of our time is the multinational company, and the role of such companies in organising production and shaping consumption patterns continues to grow. The United Nations Conference in Trade and Development has estimated that 80% of global trade takes place in value chains linked to multinational firms, or as they accurately describe them, transnational corporations.

One can understand therefore, why much of the present public debate about this power and influence has focused on what would be an appropriate manner in which to tax large corporations, and perhaps more contentiously, in which state the right to tax appropriately resides. I think, however, that the larger challenge before us is to ask the deeper question about why and how some of these organisations earn such extraordinary profits, and why they wield such power over the lives of citizens. We must always recall that when we speak of the market, that we speak, as Herbert Simon reminded us, of large companies with very significant power, power that is not very transparent and as so many instances tells us can claim a new immunity for its actions, for example, in relation to ecological impact and the threats to the health, and indeed lives, of such as indigenous communities.

My friends,
I have, in recent months, had cause to return to the works of thinkers writing in the tradition to which the term ‘Enlightenment’ has been affixed, which, in its Scottish expression, through thinkers such as Adam Smith and David Hume, affirmed that mutual sympathy - the capacity to imagine ourselves in the place of others - and natural sociability constitute the heart of human motivations.

This natural tendency for mutual sympathy, empathy and understanding of the fellow-feeling of others is said, by Adam Smith in The Theory of Moral Sentiments, to be the foundation for our conception of justice. Humanity’s concern for justice is, in turn, conceived by Adam Smith to be, in a famous passage of that same work, ‘the main pillar that upholds the whole edifice. If it is removed, the great, the immense fabric of human society… must in a moment crumble into atoms’.

This concern for justice in the moral philosophy of Adam Smith underpins his answer to the question of what constitutes a market economy. It is a type of society. We must recall that any distinction between the market and society was alien to many of the eighteenth century thinkers – for which the actions of autonomous individuals were assumed to have the result of producing and distributing resources with an end of meeting the demand of justice in the absence of a central authority to coordinate economic activity.

The contrast of course is between the ‘self-interested’ individual, and the imaginative, ‘sympathetic’ individual. That is the difference between Adam Smith’s two great texts and it is a difference that would be distorted and exploited in its distortion. As that great economist, the late Kenneth Arrow, reflecting on the Wealth of Nations, observed:

‘we can take it for granted that for society to operate at all, and to function successfully in any sense, we must have an ethical code, that is, some sense of justice. Conduct of an economy of even the most self-interested type requires a recognition of others, or it will not function on its own terms.’

Reflecting on this, we can begin to see that one of the most fatal flaws of neoliberal programmes, whether it be through programmes of disciplinary welfare restructuring or the creation of internal markets in public health systems, is the assumption and imposition of a model of human behaviour which is quite antithetical to our sense of justice, and of ethics.

Relocating economic theory within pluralist cultures that can carry a variety of proposals for the inclusion of a test for justice and ethics suggests itself as basic. I question the capacity of the present, albeit hidden, paradigm of policy which prevails for example in the European Union, to deliver the changes so many of your papers seek. You must make your efforts with the material thrown to you but surely you must provoke a critique of its grounding assumptions.

It is surely appropriate that we reflect on the ethical basis of the modern business corporation, and the moral environment that is created by the often-conflicting expectations regarding corporate behaviour, the frequent setting of expectations of shareholder value against the moral and ethical demands of the wider community.

Dear friends,
What I have said reflects a strong belief, one that I offer with humility. It is that the democratic state as an agent in coordinating economic activity is required-to play an important role in these times, that the need for role has advanced, become urgent even, again, whether those who have responsibility for states and our Union want to discuss it or not. That is a consequence of the financial crisis.

Our new circumstances have emerged almost on a form of auto-pilot. A glaring vacuum faces us as the theory of neoliberalism, which has been incrementally but dramatically emptied of its content, still retains some of its form as policy residuals which have served as an obstacle to the necessary tasks of reconstruction. For example, we simply have not had the kind of public discussion regarding the appropriate mechanism to distribute credit in our country which I believe the crisis should have occasioned.

This State has, in recent years, been well served by our enterprise agencies, IDA Ireland and Enterprise Ireland, who have pursued successful interventionist policies – including the provision of sites - to promote domestic Irish enterprise and in the case of IDA Ireland so as to ensure that multinational corporations locate their facilities here.

As Professor Mariana Mazzucato has written, the entrepreneurial state actively creates and shapes market outcomes. We might reflect, at a time of acute housing shortage, and at a time when the most efficient use of the current stock of housing and of residential land is not being made, whether an enterprise agency of similar character to those in other areas might not be warranted, released and resourced to play a role in the market, one that would show the same urgency and the same élan as IDA Ireland or Enterprise Ireland, which I recently witnessed during my recent State Visit to Australia and New Zealand, does in its own activities.

There is today, in this State, a fixed supply of residential building land – fixed by nature but defined by the planning laws of the State, and good planning with provision of housing is a necessary part of a social cohesion. There is a stock of housing, some of which is empty. There is residential land, which much like agricultural land in this country in the nineteenth century, constitutes in some settings, and much like that time, a limited resource. How are we to balance the responsibility of a just use of such for social usage with the absolutist claims of inviolable private title and usage? During the first sixty years of the history of the State, the Land Commission – first established by the British Government in 1881 – continued its programme of intervention in agricultural land, compulsorily transferring under-utilised lands to former tenants. The interventionist role of the State was accepted. The interventionist role of the State has to be adequate for circumstances that change, circumstances that affect the cohesion of society at home and in the European Union.

The European Council, Commission and Parliament last week proclaimed the European Pillar of Social Rights in Gothenburg, which I am pleased includes a right to housing, and now I hope that we can look forward, throughout the European Union, to leadership and an ambition equal to the needs of our citizens and demands of the present moment.

Dear friends,
We must, as Leonard Cohen told us, ‘ring the bells that can still ring’.

We must not despair. We should not despair, for markets can be made and unmade, shaped, where required, to serve the citizen, and modified or indeed suppressed, when necessary, to serve the interest of the public good. States have, over the past forty years, I have suggested, shaped markets based on an insufficient political theory, insufficient in its conception of human welfare, and insufficient in the capacity to monitor its outcomes. The challenges of the coming decade cannot be met by the outdated orthodoxies.

I believe that in our own country such challenges can be met by drawing on ethical core that is lodged in the best of our political traditions, forged in the long struggles for national independence, for universal suffrage, for economic, social, and civil equality, for the rights of labour, the rights of women, and the rights of ethnic and religious minorities.

These struggles, throughout our history, have only been given their fullest expression, and their most authentic expressions, through the demand for a republic of equal citizens, a citizenship which is inclusive, open, generous and relentlessly committed to - through deliberation, disputation and participation in democratic politics – to discerning and achieving the common good.

Internationally, we have a foundation for such action in the agreement signed at the Paris Climate Conference in December of 2015, an important moral milestone, as imperfect as it may be, in recognising the demands of climate justice, and in the agreement of the Sustainable Development Goals in New York in September of 2015, in which over 193 states resolved to end poverty and hunger, combat inequalities in income and opportunity, to build peaceful, just and inclusive societies, and to create conditions for a shared welfare or prosperity. This is 'cosmopolitanism' in the best sense of the better Kantian writing. In embarking on the great effort required to achieve goals, we must not, and we cannot, rely on a 'globalisation' whose freedom extends only to the liberties of the market, and whose vision is so narrow that it can contain but a single ideal of humanity: one formed its own image.

Our gaze must be 'cosmopolitan', encompassing humanity in all its cultural diversity, for as Immanuel Kant wrote two centuries ago, our 'innate right to freedom' derives from our humanity, our capacity to invent and educate desire, our creative use of imagination and reason, our powers to remember and to anticipate the future, and our universal feelings of sympathy.

Let us then found our efforts on that great ethical imperative he suggested which is to 'treat humanity, whether in your own person or in the person of any other, never merely as a means to an end, but always at the same time as an end' in itself.

The challenges of the future can only be met by a narrative of hope, a recognition that we can and will, change our own destinies and our own societies. The horizons of our hope must be 'cosmopolitan' in character, extending to all the peoples of globe and across the generations, recognising that all of us on this planet owe to each other a moral duty to remedy, and to prevent, the recurrence and endless rebirth of the injustices of this world.