Global Challenges, Progressive Solutions

Andrew Little, Leader of the New Zealand Labour Party

A few years ago, a Labour government in New Zealand introduced a series of payments to families on modest incomes. The payments increased with the number of children in the family. The policy was based on the radical ideas that kids need food and clothing to learn and thrive; it's not a child's fault if she is born into a family of modest means; and the entire community benefits when its young are doing well.

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The disgust among our opponents was visceral. They railed against the payments. One of their members of parliament, now New Zealand's prime minister, derided the policy as "communism by stealth."[1]

Now New Zealand has a conservative government in its third term, but the payments haven't been touched. Families are still receiving the money, more of it if they have more dependent children. Yet again a major social initiative, introduced by a progressive government against a tirade of conservative abuse, has become part of the political furniture. Untouchable. Sacrosanct.

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For progressives, that's what victory looks like. Even when we're out of office, our ideas remain dominant, our policies in force. Our influence on the future far outlasts our ministerial warrants.

As progressives and social democrats, we are the guardians of the future. From Britain's National Health Service and America's Voting Rights Act to almost every policy advance on tolerance, inclusion, social services, education, and environmental responsibility, it's the global progressive movement that plays early host to tomorrow's dominant ideas. For the best part of a century, we have been where the world's visionary political thinking happens.

In this early part of the 21st century, the world needs progressive social democracy more than ever, as governments around the world meet three core challenges: automation at work, inequality, and climate change.

This current age is one of huge potential opportunity—and a serious challenge—based around rapid changes in technology. Robotics and algorithms are revolutionizing the workplace at an ever increasing pace. The change goes far beyond assembly lines and factories. Five years ago, the world had taxi dispatchers. Now, we have Uber. Accountants are being replaced by Xero. Law clerks are giving way to optical character recognition and searches.

This is, of course, the latest step in an ongoing process. The manual telephone exchanges of the 1960s have largely gone, as have the typing pools of the 1970s and the record stores of the 1980s and 1990s. But in the 21st century, the pace of change is becoming more rapid.

The opportunity in this upheaval is clear. With the coming of what Erik Brynjolfsson and Andrew McAfee call the Second Machine Age, humans are being increasingly freed from mundane, process-driven work. By freeing people from that burden, we can unleash their creativity in more rewarding, interesting work, as long as they're in a position to take advantage of it.

Therein lies the challenge. Unfettered technological change creates losers as well as winners, and we must ensure human progress ultimately benefits every human.

In New Zealand's largest city of Auckland, the port is planning to introduce automated, driverless straddle carriers to take containers from ship to truck and from truck to ship. Millions of New Zealanders will win—if only a little—as a result through decreased transportation costs for their wares. More competitive exports will leave our shores; cheaper consumer goods will flow the other way.

But the former straddle drivers will lose a lot. They'll lose their jobs and their livelihoods. The challenge for progressives is to help the people whose former careers are ended by technological change. They aren't to blame for changing technology and shouldn't have to suffer as all around them benefit.

We need to encourage sunrise industries, help those industries take on displaced workers, and help workers retrain. That requires an integrated set of policies incentivizing innovation and making retraining accessible to people midcareer. It's industry policy, labor market policy, and education policy, all coordinated to ensure that technological advance leads to pareto-improving human advance.

This, the future of work, is one of the biggest policy issues our movement must address, not least because it links to another of the critical challenges facing advanced nations—inequality. Robotization and more-efficient task processing will almost certainly increase the stock of human welfare, as people will have more time for rewarding careers and more time with their loved ones. The big unknown is how those gains will be distributed across the community.

Since the 1970s, productivity has continued to improve dramatically while real wages for workers have not. Almost all the gains from productivity have gone to the owners of capital, not the owners of labor. With that background, it's no surprise that within-country inequality rose in more than three-quarters of advanced nations over that same period.[2]

If that trend of deeply skewed financial gains continues as we enter the Second Machine Age, the result will be a further spike in inequality. The rich will get much, much richer, while the rest stay still. Inequality, as we know, leads in turn to wasted human potential and decreased social cohesion.

Increased inequality is a blight on our societies, and it will inevitably fall to progressives to lead the charge against it, as the conservative record on fighting inequality is as pitiful as it is halfhearted. Sometimes that fight takes the form of redistribution, but at other times, we can reduce inequality by addressing its causes. If displaced workers are given opportunities to retrain for new careers in growth industries, they're less likely to need the welfare safety net and less likely to contribute to the inequality problem. That way, adapting to the future of work also insures against inequality.

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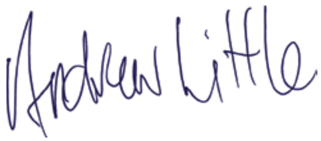
The third historic challenge we face is climate change. That's an area where social democrats have had to learn over time from our friends in the environmental movement. It's also another area where conservatives lag behind. Climate change is an existential challenge for us all, one that will force every country to make difficult, costly decisions.

With last year's agreement in Paris, we can now finally boast a truly global commitment to address climate change. Despite the great progress at Paris, the framework to which we agreed can only ever provide leaders with information. It is still up to us to make the tough choices. That's an area where progressives shine because, unlike conservatives, we have the ability to be bold where boldness is required, and we have the ability to make big changes in a humane way. The world needs progressive leadership more than ever if we're to truly address climate change.

Of course, without electoral victory, it's impossible to implement our ideas in the first place, and that presents cyclical challenges. Public tastes about this argument or that policy change with the years, and that means progressives need to constantly adapt their plans and campaigns to suit the democratic mood.

But one thing that never alters is the public demand for forward thinking about the great challenges facing people and the world. Early in this century, the world looks to social democrats to meet the great challenges of our age. We'll shape a generational opportunity as technology eases the burden of work. We'll fight an historic scourge as we make sure economic gains are shared fairly by owners and workers. And we'll meet a shared mortal challenge as we prepare the world to address climate change. The public looks to us to lead these efforts because they know our capacity for bold and innovative policy is unmatched.



Endnotes

1 New Zealand Parliament, "Supplementary Estimates—Imprest Supply Debate," June 22, 2004, available at http://www.parliament.nz/en-nz/pb/debates/debates/47HansD_20040622_00000898/supplementary-estimates-—-imprest-supply-debate.

2 Luxembourg Income Study, "Inequality & Poverty" (2016), available at http://www.lisdatacenter.org/data-access/key-figures/inequality-and-poverty/; New Zealand Ministry of Social Development, "Household Incomes in New Zealand" (2014), available at https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/household-incomes/.