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Hugh Stretton and His Social Theory

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Peter Gibilisco
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Abstract

This article examines the influences on Hugh Stretton's pragmatic social democratic philosophy. Stretton often argues that practical rather than formal theoretical thought is the best guide to social understanding as well as to social action. This article also reviews his practical approach to some of the philosophical problems and the policy questions that have concerned him.

Introduction

Some parents want their children to have what they had. Others are determined that their children shan't suffer what they have suffered. (There are some marvellous and some terrible parents of both kinds.) Those familial aspirations sometimes have social equivalents. I had a happy childhood in a house and garden between bush and seaside (Stretton, 1991a, p. 556).

The aim of this article is to identify the major influences and events that have helped to shape Hugh Stretton's approach to scholarship. He has acknowledged the role played by his peers and role models providing exceptional academic and moral substance. His beliefs were also shaped by his learned parents.

Stretton's alternative approach to economics and the social sciences has gained recognition around the world. Some of his major works have been translated and published in foreign countries and he has been praised and awarded for his content and style by publishers and literary societies. This reception is part of the way Stretton's works have gained an appreciative audience for what is a unique, dynamic and pragmatic attitude towards the social sciences.

Any account of Stretton's scholarship would be incomplete without his social democratic philosophy, which is a fundamental part of his thesis. As Stretton (1994, p. 33) states:

¹ This article was originally part of my Masters thesis, reworked with the assistance of Dr Bruce Wearne, Dr Tim Marjoribanks and Hugh Stretton.

By social democrat, I mean the attempt, through the long mid-century boom, at a managed full employment, cradle to-the-grave welfare, declining inequalities of wealth and income, and confident government for an expanding range of collective purposes.

This article shall proceed by viewing answers to related questions, concerning Stretton's alternative approach to social democracy within the context of his personal and academic environment. For example: in what way is Stretton's form of social democracy an alternative? How is his form of social democracy structured? What does Stretton mean by a mixed economy? How does he construe public, private and housing sectors in economic terms? What place does sociology have and how does the misapplication of its doctrine affect economics? Why is conventional economic progress and growth impacting profoundly on the unequal distribution of social wealth?

Stretton's pragmatic social science is very prominent in contemporary economic and social debates, linked at least in part to the emerging search for an alternative to conventional economics and its institutionalisation in the dominant neo-liberal ideologies of the 1980s and 1990s. Stretton's critique of conventional economics is most recently stated in his *Economics: A New Introduction* (1999), and presently he is working on another book, which further extends his critique of conventional economic strategies.

Stretton's form of pragmatism differs from what is usually portrayed by the term. For example, by comparison with Niccolo Machiavelli (1469-1527), Stretton's pragmatism is not based upon the idea of a gain in power.² Instead, his views are based upon social actors' diverse social interests, in a rich fabric of societal interdependencies. Machiavelli, on the other hand, theorized for the purpose of promoting the power of the prince (Machiavelli 1992).

How He Recalls the Early Years

Stretton's parents were well educated. His father was a lawyer who wrote as a hobby, and his mother a graduate when female graduates were not all that common. Before his mother's marriage to Hugh's father, she had an ambition - to become a school teacher. However, in accordance with the impact of social structures on women of that era, her personal ambitions took a

²As a pragmatist, Stretton acknowledges the generalising and predictive power of the social sciences, where it should be put to work for society's betterment.

back seat to her responsibilities as a homemaker. She got married and (bringing up Hugh, an elder brother and a younger sister) devoted herself to the task of full-time homemaker. Hugh believes his mother still had opportunities to express her talents within the broader community, performing charitable duties and becoming heavily involved in the public domain.³

Stretton's first eleven years were spent in Beaumaris, on the Southeast side of Port Philip Bay in the Australian state of Victoria.⁴ His family lived in a little bush and beach village, with a small population that had only a few commuters; Hugh's father was one. Initially he was sent to a local state school about which he does not recall anything memorable. After a short time, he was sent to a 'remarkable' private school, Mentone Grammar, which had only 39 students at the time. The school's headmaster was an Oxford graduate, an Englishman, who had tried to become an actor, but instead became distinguished as an Australian headmaster. Previously he was head of the Hutchins School in Hobart but had encountered hard times. Borrowing money to buy this little school, he proceeded to what he had been academically trained to do - teach students. Stretton recalls the Headmaster writing and expressing himself beautifully - he was indeed 'lucky to have such a teacher' (Stretton cited in Gibilisco 1998). He taught Stretton the meaning of 'hyperbole'. Stretton's writing is testament to his avoidance of hyperbole, his refusal to use language to greatly exaggerate or embellish the facts.

The Strettons moved house when Hugh was eleven. By being closer to the city of Melbourne there were more options available for the children's education. They lived in Kew for some years and in 1936 Hugh went to Scotch College.⁵ During these depression years Hugh received an excellent education. The depression was soon followed by the Second World War. Looking back, Stretton considers that the turbulence had the effect of inspiring him to attain a high level of academic independence.

At the time Hugh attended Scotch College, the school had employed a new headmaster. He was a lawyer from New Zealand who was a scholar of the classics - a Rhodes scholar and a Scottish international rugby player. This man had received a Military Cross and Bar in World War I. According to the students of 1936 he looked like the 'Metro-Goldwyn-Mayer Lion'. But his

³Throughout the article, all works and quotations (unless otherwise indicated) are based on personal interviews conducted between Hugh Stretton and myself (or, through personal interviews between Hugh and myself, conducted over the telephone). See, Gibilisco, (1998) *Stretton interviews*, Unpublished

⁴The names Hugh and Stretton are interchanged, in trying to keep the discussion understandable and lucid.

⁵Australia, during the years of 1932-34, was in a state of economic depression. This is demonstrated by the unemployment rate of that period, which peaked at 23.4%. See, Jaensch, et al, *Dictionary of Australian Politics*, (1995, p. 73).

conservative appearance was deceptive. He got rid of the ancestral portraits that filled the assembly hall and replaced them with prints from the Carnegie Collection of Contemporary Art. He engaged such gifted artists as Murray Griffin, Frances Roy Thompson and Arthur Davies, to teach, and to produce, art and drama in the school. 'They were marvelous men' (Stretton cited in Gibilisco 1998). By the age of thirteen Stretton could recite two Shakespearian plays by heart. Such was the inspiration of these teachers that Stretton happily attended months of rehearsals for minor parts in the plays.

Although neither students nor their parents would ever impute radical or reckless motive to the headmaster, he did implement radical reform of the school's intellectual and artistic education. Scotch students developed their appreciation for the arts, including the style of the new modern but simple chapel. The chapel was tall with ashen amber windows, blanched cream walls, and beautiful lighting. Stretton thought it was a beautiful in a pale, austere kind of way. Though his family had no religion, Stretton used to go there on Sunday nights with his friends for the radical social message of the Chaplain's sermons and for the aesthetic pleasure of the service. Stretton refers to himself as a secular Christian; that is, he believes in much of the Christian teachings about love and duty, but not the divinity of Christ or the existence of God.

Scotch College gave its boys some remarkable freedoms and responsibilities. For example, nobody censored the fortnightly newspaper or the Scotch College magazine. Stretton once cooperated with the newspaper's editor in publishing a scandalous account of the sex life of an eminent old boy, who was chairman of the school council. The headmaster sent for them and said that it was unkind and ill mannered and they should be ashamed of it - but that was their only punishment. The editor of the school newspaper at that time was Creighton Burns, later to become famous as editor of the *Age*, and for publishing the *Age Tapes*.⁶ To Stretton, the school was an extraordinary place to be if you wanted to grow up as a freethinking intellectual.

A key influence on Stretton at Scotch College was his history teacher, a strict Plymouth Brother, who was so stern at home that he did not have a radio in the house. However, when the Second World War broke out they were allowed to listen to the war news. But with his students he was a 'miracle of liberality'. Stretton recalls further that 'every class went for 45 minutes, and in each class for 20 of those minutes he would drum basic structural facts into our heads. After that students would divert him, managing to get him to argue about

⁶ These were illegal tape recordings conducted by the NSW police department, of prominent people within the community. These tapes came into Burns possession and were published by Burns.

something or other' (Stretton cited in Gibilisco 1998, p. 126). It took them until the intermediate year 'to realise that *he* was diverting *us* into discussing school and government policy. He was running a deliberate policy of drumming in facts then spending an equal amount of time encouraging students to debate issues that concern our society' (Stretton cited in Gibilisco 1998). Here the theme of matching theoretical and practical knowledge can be seen as a primary motif in Stretton's reflections.

After completing secondary school at Scotch College, Stretton enrolled at Melbourne University (in 1941) in Arts/Law. However, after a year, he reached the age when volunteering for the armed forces was permitted. He served on Corvettes for three years until the war ended in 1945.⁷ Stretton explains:

There was still a lot of cleaning up to be done once the war had ended, and we were far from home at Seram in the Moluccas ... when I saw a notice, on the ship's notice board, which explained the procedure of application for Rhodes Scholarships - the magic words were 'any member of the services summoned for an interview would be drafted to their home port'. (Stretton cited in Gibilisco 1998, p. 127).

Stretton got home in December 1945, spent February to August 1946 at Melbourne University, and reached Oxford to start there in October as a Rhodes Scholar.

In 1946 at Melbourne University he wrote his first journal article, 'The Politics of Koestler', in the *Melbourne University Magazine*. Stretton described Koestler as a Czechoslovakian intellectual, favouring left politics, but deeply disillusioned with Russian communism. However, his disillusionment did not make him switch to the right. He still believed in democratic socialism. He was anti-Marxist, when most left-wingers were Marxists. This intrigued Stretton, who lacked faith in any systematic belief.

On completion of his degree at Oxford, Balliol College offered Stretton a history teacher's post, which to him was a better option than coming home to be a lawyer.⁸ However, on accepting him Balliol College sent him off to Princeton Graduate School for a further year of study. They did this because Stretton was to replace a temporary teacher who had a year to run on his contract.

⁷ A Corvette was a small ship, which could drop depth charges and fire weapons, and was also used to escort convoys up and down the east coast of Australia.-

⁸ Stretton explains that the pattern of recruitment for teaching within Oxford and Cambridge Colleges were different, in that they tended to look to their undergraduates just as they graduated, with the selectors choosing who they believed to be the brightest.

This is also part of the reason why he never got a PhD. In the academic job market of that era, he did not need one. He could have entered a PhD program while teaching but at that time it was only graduates who wished to be academics, but who were not asked to stay on after graduation, who entered doctoral courses. They did this to improve their employment prospects as academics.

During his time at Princeton University, Stretton chose to study the social sciences. He took a course offered by Harold Sprout, Professor of Political Science. He studied Parsonian sociology and developed his critique of that kind of comprehensive sociological theory as outlined in the *Political Sciences* (1969). For Stretton, Parsonian sociology was far too abstract, unrealistic and deterministic: its theory of social action is a systems theory, simplifying far too complex a mixture of social and individual response to stimuli. Stretton greatly admired some of his Princeton teachers, including the sociologists Marion Levy and Melvin Tumin. He took some cross-disciplinary courses in the Woodrow Wilson School of International Relations, and attended a course in Economics concerned with trade theory, taught by 'a marvelous old free-trading economist called Jake Viner' (Stretton cited in Meaney 1986, p. 18). He took a history course on American Liberalism, taught by a 'nice, able historian' (Stretton cited in Meaney 1986, p. 19) called Eric Goldman, who later became President Johnston's 'house intellectual'. Stretton recalls the observation of a middle-western conservative politician of about 1870, who said: 'What we need in government in the United States is men who will not steal, but will not interfere unduly with those who do' (Stretton cited in Meaney 1986, p. 19). Stretton believed Goldman the historian to be an artful connoisseur of villainy – 'he enjoyed that sort of thing' (Stretton cited in Meaney 1986, pp. 18-19). Stretton reflects on that year's intellectual experience by dividing it into three types. One third was honest and useful, another was honestly mistaken, and the other third amounted to intellectual fraud. This helped him to understand some of the reasons for his dissent from conventional economics. However good, some of the teachers were a lot of what they taught shocked Stretton because it was so awful and yet so easy to do: 'It was so sickening for me to believe how simple it could be for me to have made a living doing this' (Stretton cited in Meaney 1986, p. 19).

Stretton spent a memorable summer break in America, getting in touch with some of his life's natural experiences; 'bumming around, being poor and working in the Forest Services' (Stretton cited in Meaney 1986, p. 19). On return to Balliol College he was busy with a full time teaching schedule.

In the years following, Stretton developed an interest in economics and befriended Paul Streeten.⁹ Streeten, an Austrian Jew who was wounded in the war, was studying economics when he met Stretton. Streeten has since become one of the world's most distinguished philosophical economists. Stretton and Streeten, were the young bachelor dons of Balliol College.

After his marriage, Stretton lived in a flat within a house also occupied by Thomas Balogh,¹⁰ senior economics teacher at Balliol College and the economics adviser to a number of Ministers in the Clement Atlee government (1945-51). That Labour government was nationalizing major industries and implementing the Beveridge report, establishing the basis for the welfare state (Abercrombie et al 1988, p. 20).¹¹

Stretton describes Balogh as a harsh, abusive man to his intellectual opponents. His temperament was captured in drafts of his academic writings. These were sometimes unpublishable, as originally written. (Balogh's first and last books were edited by Stretton). However, Balogh's bluntness added to his exciting method of teaching. Today he is still remembered for an unusual but succinct explanation of economic reform; an old proverb from his home town in Hungary that stated: 'when you have put a waistcoat on incorrectly, it is said, you have to undo all the buttons to put it on again'.

Stretton's closest friends and peers at that time included social democratic economists and political scientists. It was an exciting time for those indirectly and directly involved in building the welfare state. This environment helped him to define a philosophical critique of conventional economics. In brief, Stretton argued that conventional economics lacks the essential philosophical and moral attributes that make it a social science. As a young historian looking for a useful and interesting field of research he noted the rapid growth of the social sciences, especially in Europe. They were likely to increase in influence over the future development of such societies (Stretton 1978b). He decided to study their growth, and influence. Who better, he thought than an historian,

⁹After being wounded in the war in 1943. Streeten at the time of leaving hospital, took up study at Balliol College, Oxford, continuing as a tutor in philosophical economics til 1964. See, Streeten, *Economic Integration Aspects and Problems*, (1961: see back cover).

¹⁰Lord Balogh was a Fellow of Balliol College, Oxford, from 1945-1973. He also became a minister of state from 1977-1979. See, Balogh, *The Irrelevance of Conventional Economics*, (1982: see back flap).

¹¹William Henry Beveridge (1879-1963). He was appointed chairman of a services inquiry into the management of the social services. The report of this inquiry, *Social Insurances and Allied services* (1942), popularly known as the Beveridge report, recommended a national health service, social insurance and assistance, family allowances, and full employment policies. See, Abercrombie, et al, *Dictionary of Sociology*, (1988, p. 20).

who could stand apart from those totally engrossed in such disciplines, maintaining an impartial attitude to them.

Stretton left England in 1954 to become chair of the History Department at Adelaide University. He explains in an article called 'Inside the Degree Shop' the change in teaching environments:

[W]here five historians taught fifty students who scarcely needed teaching, to come home to an Australian University department in which five teachers were responsible for some hundreds of students who were capable of learning a good deal. This move raised my pay by two thirds and lowered my taxes absolutely. The tax and educational arrangements seemed to explain each other well enough. Of the five teachers here, none of us had qualified as a historian by publishing any history, and only two believed in trying. Now we have twenty-four historians (Stretton, 1966, p. 11).

In a foreword to *Markets, Morals and Public Policy* (1989), one of Stretton's previous students at Adelaide University, John Bannon (then Premier of South Australia) acknowledged Stretton as an impressive and inspiring teacher and lecturer. Stretton gave all his lectures without notes, whilst also having a 'grand' classroom demeanour. Stretton was also ready to serve as an adviser to governments of different political persuasions. This is acknowledged by Bannon's personal description of him as having echoes of George Orwell. Stretton's social democratic, but pragmatic approach to politics, had allowed him to form political relationships that ranged from the conservatism of Thomas Playford, to the Labor party style of Don Dunstan.¹²

His Career as an Author

During his early period of teaching and lecturing, Stretton had not published any books or articles. Rather, he preferred to concentrate on his performance as a lecturer and teacher. His commitment to research became obvious when he relinquished his position as head of department (at the end of 1968) to take up a lower paid position in the University as a Reader in History. He did this to free his time for research by giving up the administrative work that came with holding the position of chair (Bannon 1989, p. iv). In 1969, he published his first major work, *The Political Sciences*, which gave him international,

¹²The Playford Liberal-Country League party in South Australia, ruled from the 5th of November 1938, on the 10th of March 1965; Dunstan took over as Labor Premier on the 1st of June 1967. See, Jaensch, et al, *Dictionary of Australian politics*, (1995, p. 242).

acclaim. Professor Don Aitken of the Australia National University praised the book saying:

[A] brilliant book from which there must be few who could not learn ... [T]he imaginative use of genuinely complex and provoking historical examples for [Stretton's] arguments provide adequate compensation especially in a world where philosophers are still apt to present what seem to be important arguments only to require of the reader acts of faith by the use of trite examples (Aitkin 1985, pp. 50-51).

The book by Stretton brings into focus the negative effects brought about by over-simplification in social science. Stretton is of the opinion that some system-building social scientists rationalise and hence destroy genuine historical explanation. Human social action and interaction is so complex that all explanations of it have to select and simplify. They therefore reflect the values and purposes which shape the selections and simplifications, as well as the facts on which they choose to focus. The subtitle of Stretton's first book is *General Principles of Selection in Social Science and History*.

Stretton's next book, *Ideas for Australian Cities* (1970), was published by him after he was turned down by six publishers. The argument in this book is focused upon the difference between too little and too much progress for cities. It examines things from the past that worked well, portraying cities as social constructions. Stretton argues that urban planning should be guided by social interaction and not be limited to efficiencies. He believes factors such as social equity and neighbourhood amenity are necessary parts of a viable community. This book has been used for decades as a recommended text in many university courses on urban planning.

Stretton's next major publication was in 1974, the ABC's 'Boyer Lectures', *Housing and Government* (1974). According to Stretton conventional economic theories are responsible for disabling public and private investment in the communities in which we live. Stretton draws upon many social sciences for evidence that people understand their own housing needs and economic priorities better than most economic and urban experts do. The implications of this argument are that we have an elite ruling class.

Capitalism, Socialism and the Environment (1976), which won the Age Book of the Year Award in 1976, drew attention to the need for environmental restraint, arguing 'that conflicts about inflation, inequality and scarce resources are parts of one central problem of democratic distribution' (Stretton 1976, p. 1). Stretton argued that the lurch to the right of politics created by

capitalistic reform is inherent in the paradigm shift influenced by conventional economics. The shift by left wing parties to allow Left-Green policies makes it possible for environmental concerns to be kept pure in negotiations with governments of all persuasions. The first part of this book discusses the future of planning; the second section discusses the value of different methods of change; the third looks at social democratic principles based on egalitarian values.

Stretton's next major publication was a book titled *Urban Planning in Rich and Poor Countries* (1978b). In my opinion, this is the best of Stretton's publications, as the argument is accessible, pragmatic, and logical. It contains an essay on 'Cost Benefit Analysis in Urban Planning', an essay that prompts one to question fundamental economic training, as it underlines the disruptive social effects of poor economic policy. The book analyses urban planning, implied by the urban policies of rich and poor countries, capitalist and communist countries.

After 1978, Stretton continued writing and publishing articles, one of which was 'The Quality of Leading Australians' (1985). Broadly focusing on Australia's systematic approach to leadership it gives a general critical and factual analysis of Australia's leadership. Inherited wealth, old-boys-networks, bureaucratic time serving, or political dexterity have delivered certain people into positions of leadership in government and business, at the expense of merit. Many lacking fundamental skills of leadership, are now in a position to exploit labour, order people around, or swan around the world at the public's expense. It is an unfair system that promotes corruption, lies and cheating (Stretton 1985).

Stretton released *Political Essays* in 1987 and it won the Victorian Premier's Literature award in that year. This book criticises the Hawke Labor government's reactionary policies designed to enhance Australia's global market position. Stretton also looks at the inflationary errors of the Whitlam Labor government of the 1970s, which caused subsequent governments to react by enacting conventional economic policies, such as financial and social deregulation.

These essays criticise the dismantling of the national economy through the privatisation of public assets and the exemption of the private sector from regulation. Privatisation has implemented failed economic policies that

dismantle a well thought-out, egalitarian mixed economy.¹³ According to Stretton (1987, p. 22):

To sum up, the private sector cannot respond as promised to any general restraint of the public sector. There is no reason at all to expect that cutting activity in the public sector will encourage more private activity, or generally higher profit levels or profit shares in the private sector. Opposite effects are more likely.

In other words, the change is skewed towards making the already rich, richer. The change has not helped economic growth and prosperity; it has increased profit shares.

In 1994 when working with Lionel Orchard, Stretton released: *Public Goods, Public Enterprise, Public Choice: Theoretical Foundations of the Contemporary Attack on Government* (1994).¹⁴ Stretton and Orchard analyse the processes of democratic government, as we enter an age where crude economic philosophers dominate our collective thinking, and where self-interest is perceived to be the underlying motive for all individual actions. Stretton and Orchard (1994, p. 128) attach the implication that ‘there can be no good ways to allocate public goods, manage public industries, arrive at collective social purposes, or govern democratically. We think these theories mistake some of the potentialities of both public and private enterprise. Because they simply recommend less of one and more of the other they discourage concerted efforts to improve either of them, or the working relations between them. If believed, they reduce the possibilities of able, inventive government in societies which badly need such government.’

Many academic economic publishers, because of what many conventional economists see as Stretton and Orchard’s critically unorthodox approach to public choice theory, rejected this book.

In 1996, Stretton delivered ‘The Sambell Oration’, the Brotherhood of St Lawrence’s commemoration of the work of Archbishop Geoffrey Sambell. The annual oration explores causes of, and solutions to, social injustice. Hugh Stretton entitled his 1996 Oration *Poor Laws of 1834 and 1996* (1996). It is meant as a joke, a sick joke, based on the dual meaning of the word ‘poor’. In

¹³Laissez-Faire depicts government economic policy, which is free from government intervention, enabling the market to be the true arbiter of economic policy. See, Black, *Dictionary of Economics*, (1997, p. 265).

¹⁴Lionel Orchard is a lecturer in Public Policy and Administration at Flinders University of South Australia. He writes about social theories and urban and housing policies, and is the co-editor of *Markets, Morals and Public Policy* (1989) See, Stretton, et al, *Public Goods, Public Enterprise, Public Choice*, (1994: back cover).

this way, the poor laws of Britain in the last century and Australia's in the last decade are compared.

Stretton (1996b, p. 1) identifies the false claims of conventional economists. According to Stretton conventional economists argue:

In an economy facing both tough competition and rapid technological change the necessary incentives will need to include steeper inequalities of income, insecure employment disciplined by deterrent levels of unemployment, and deterrent levels of public welfare to discipline the unemployed.

Contemporary Australian governments are stricken by the commitment to produce budgetary surpluses, for reasons of policy flexibility. In other words, if an election needs to be called, the government of the day has the chance to enact credible government spending (as they are playing with a budget surplus) in areas that are in demand by the majority of voters. However, this surplus was initially raised by cutting public services and selling public assets. Stretton pursues these arguments with vigour, and analyses the social hindrance created by such poor economic policy (Stretton 1996b).

Stretton has now completed, what he calls 'his big piece of work' titled: *Economics: A new introduction (1999)*. It has occupied about fifteen of the years since he began it in 1981. An essay about this book was published in 1996 titled: 'After Samuelson'. It cites Balogh and Streeten arguing that we must first learn economics through its orthodoxies, then unlearn about half of it and then study how institutions actually work. Stretton agrees that orthodox economic theory cannot be bypassed. It needs to be known if we are to understand why its believers act as they do. But he argues that orthodox economic theory is the wrong kind of theory for many of its purposes. Though parts of it are serviceable and should be maintained, the main structure should be replaced. The article gives many examples of poor economic theory. For example, conventional economics does not have the appropriate functions to call attention to the social costs and benefits to be expected from free trade and various kinds of protection and the likely distribution of their costs and benefits.

Today at seventy-six years of age, Stretton still holds a position within the University of Adelaide. He retired as a Reader in History in 1989 and has since been a Research Fellow in Economics, paid for the first three years and unpaid since. Having analysed the body of Stretton's work, we are now in a

position to undertake a study of his central ideas, pertaining to political pragmatism and social democracy.

Political Pragmatism, According to Stretton

For Stretton, a social democratic pragmatist is one who does not try to construct one over arching logic for the totality of society. Social democratic theories should be continuously assessed and reassessed in relation to changing historical conditions. In this way reforms can be judged in terms of whether they still meet the demands of constituents. Stretton (1986b, p. 7), in accordance with this belief stated:

If you puncture a tyre it is sensible to mend it, not scrap the car. When the capitalist system misbehaved for a century or two - bankrupting innumerable entrepreneurs, stunting children in coalmines, killing workers in dangerous factories, periodically disemploying a quarter or more of the work[-]force - its supporters did not despair of it. By degrees they reformed it. Governments regulated it, supplied it with many public goods and services, distributed income to those it didn't employ. Bit by bit they built the mixed economy which has doubled most affluent countries' incomes since 1945.

We can always improve our social democratic theories. Theoretical and practical updates look at the values and purposes needed to ensure an egalitarian society. However, the competent design of a reform of society's overall efficiency must combine both positive and equitable elements. Stretton (1978b, pp. 8-18) argues that a combination of rival theories would improve our understanding of social and political factors, whilst also improving the way we think about technical features.

In his 1996 Sambell oration, Stretton spoke out against the anti-pragmatic policies of Australian governments since the mid seventies. Beginning with the Fraser administration, they have diverted us from seeking a truly egalitarian society. Firstly, they brought into disrepute the mixed economic approach of the Keynes economic era by assuming it was the main cause of stagflation.¹⁵ Instead of tracing the detailed causes of stagflation and fixing them, those opposed to Keynesian economics gathered support from powerful groups in society to dismantle the mixed economy (Stretton 1996b, p. 12).

¹⁵A situation where both high unemployment, and high inflation is experienced. Stagflation happened in the face of the disbelief of many economists. High inflation was thought to stimulate economic activity, and high unemployment was thought to reduce inflation. See, Black, *Dictionary of Economics*, (1997, p. 441).

Different economic theories theories can offer a diverse range of solutions to economic problems. In 'Onwards, Sideways, or Backwards: Alternative Responses to the Shortcomings of Social Democracy' (1995b), Stretton presents his response to the crisis of western economics. He presents three different analyses for three possible solutions, characterised as onwards, sideways, or backwards. Firstly, he argues that onwards would be the most beneficial and effective way forward for traditional social democrats that are still concerned with poverty and inequality. They could continue the battle for poor against rich and for labor against capital, nationally and internationally, for a further reduction of the world's inequalities. But because further redistribution from rich to poor may face fierce opposition, it may be better for the time being to expand social democracy 'sideways'. That could mean fairer shares not so much between rich and poor classes or countries, as between men and women, between young and old, and between present and future generations. According to Stretton, the movement 'backwards' is already under way, in efforts to dismantle the social democratic progress we have made in the last century towards greater equality. Stretton (1995b, p. 12) 'Its vision is of a world economy in which free exchange will locate production wherever in the world it can be done most efficiently, expose it to unhindered competition, and subject it to worldwide consumer sovereignty ... If this program worked as predicted it would deserve to count as a great leap forward rather than backward.' Stretton argues that the theory is mistaken and its practice is likely to be self-defeating: small government promises steeper inequalities in the future as in the past. (1995, pp. 10-13).

Stretton's pragmatic approach to social democracy has little time for the total and fully systematic approaches of either socialism or capitalism. This is why Stretton's approach to the political economy can be looked at as alternative, but his pragmatic approach looks for common sense policies to what works. When Stretton praised the work of the South Australian Playford conservative government, he did so because he believed the Playford government would get the job done (Szelenyi 1989, p. 108).

In his view the Australian Labor party has made its contribution, on the platform provided by the Labour movement, by acting in a pragmatic rather than systematic way (Martin, et al 1979, p. 10). In Stretton's view, recent Labor governments of Hawke and Keating have departed from this ideal giving the label 'Social Democracy' to their own form of economic mismanagement (Szelenyi 1989, p. 109, Stretton 1993a, p. 63).

Stretton's (*The Age Weekender* 1991b) critique of Labor argued that the traditional expansion of a social democracy to incorporate public choice theory is at the cost of traditional social democratic concerns of social equality. Stretton believes the political recruits in the front-line of social democratic parties, some from the most privileged social backgrounds, and may encompass antisocial policy agendas (Stretton 1991b).

Need for a Mixed Economy

Stretton's evaluation of the basic theories behind the systems of both the political left and the right is that both have many good, and many bad, policies. Let us first look briefly at the policies behind the left's commitment to policies based upon egalitarian principles. Such a system can cause bureaucratic oppression and inefficiency because of its centralised approach. The right basically believes in outcomes generated by market relations. Markets allow people to decide for themselves their own needs and wants. They provide for many forms of economic and social inequality, such as the unequal distribution of wealth. Unfettered markets can be a cause of market failure. Both economic systems, in theory, can in part, provide outcomes that can pragmatically do justice in a society (Stretton, et al, 1994, pp. 8-9).

Stretton elects for common sense, a pragmatic form of social democracy. His pragmatic approach to the social sciences is able to provide many alternatives. According to Szelenyi (1989, pp. 108-109) Stretton's theory assumes compliance with both sides of politics:

Thus, Stretton with his pragmatic approach often expresses sympathies for grey civil servants, such as Ramsay. And from time to time he even has a few good words for conservative politicians, such as Tom Playford, the Liberal Premier of South Australia during the 1950s and early 1960s, while showing his disgust for current Labor leaders such as Bob Hawke who in his view, mismanages the economy in the name of socialism.¹⁶

¹⁶Alex Ramsay was the general manager of the South Australian housing trust, from 1948-1973. He was capable of delivering all the conservative safeties and efficiencies that are required to keep operations profitable and effective. He did this by defying most of the economic and management orthodoxies of public service practice and private business practice. Ramsay was to believe the aims of public enterprise can rarely be as few or as clear and stable as the aims of private enterprise. He adds, 'like private producers, public producers have to meet changing market demands; but they may also have to follow changing social and political demands, and cope somehow when the market demands and the social demands come into conflict (92). See, Stretton, 'A. M. Ramsay and the Conventional Wisdom', *The Australian Quarterly*, (1978a, pp. 90-100).

Stretton and Orchard (1994, p. 184) in a chapter headed 'How to Mix a Mixed Economy', outlines that commonsense considerations must be gathered from the norm of people who inhabit society. A pragmatic approach, as opposed to a systematic approach, means that each individual situation of society requires a different policy mix. Citizens, on deciding the appropriate mix, will turn to the conclusions of economic systems that are able to accommodate stylised ideals regarding public and private enterprise, and smaller or bigger government.

Accordingly Stretton and Orchard (1994, p. 192) acknowledge that high housing investment need not inhibit economic productivity nor growth. The practical proof rests in the knowledge that, since 1945, countries that have invested high proportions of their gross domestic product in housing have seen increased economic growth (with only Japan as a partial exception). Increased levels of housing investment usually accompany faster economic growth.

In his Boyer Lectures (1974), Stretton discussed 'Home Economics', the unpaid domestic economic system. The first conventional wrong is the claim that work done in the domestic economy is useless. Those in the commercial sector may do their utmost to starve it of resources, partly through ideals imposed by commercial profit and misguided scientific ambition, but Stretton (1974, p. 21) explains:

Home is where the most of us live more than half our [waking] hours ... It's where we do more than a third of our work, and spend a great deal of our leisure. It's where we suffer or enjoy a great deal of our whole experience of life. So it's an important place, and the way it does its work must depend to a considerable degree on its capital and working resources.

Households produce around 35 to 45 percent of all material goods and services, whilst helping people to form an identity and doing a great deal to determine their life's outcome (Stretton, et al, 1994, p. 187). They distribute income to other members, including unearned incomes to children and other dependents. Households provide the main income for up to 30 percent of affluent society's members. Households provide the capital, space and equipment from which many people derive their economic importance. Current politicians favouring the inept theory of neo-classical economists, lack a truly scientific model, that can incorporate all these various applications of human action.

Stretton's alternative pragmatic social democratic mixed economy promotes aspects of society that economically produce and favourably enhance our

society's economic growth. It is pragmatically obvious to anyone who has studied how the economy works, that there are three major players in the game of economic growth. These are profit-seeking enterprise (private sector), government and public enterprise (public sector), and the unpaid labor of the household sector. All three are enormously dependent on each other. The private sector needs the input of the public and housing sectors; that is, the government must look to create and regulate suitable corporate powers, whilst regulating many markets. This does not anticipate the reduction in but an enhancement of, overall social and economic objectives. Public enterprises are needed to perform the duty of ownership and control of monopolies such as, power, water, post and telecommunications, and to perform multiple non-profit services such as: hospitals, schools and research institutions (Stretton 1996b, p. 9).

For Stretton, a suitable mixed economy cannot be found from a systematic analysis that conforms rigidly to either side of the political debate. Culture, human capital, enterprise management and public infrastructure or services all need to be taken into account. Factors that enhance the social and economic development of private, public and household productivity, or the variance of stimuli needed to inject productivity to the appropriate mix, all need to be included in the analysis (Stretton 1974; Stretton, et al, 1994).

The Systematic Scientising of Sociology

Stretton (1993b, p. 286) argues that whilst, 'system' might be the newest metaphor for human society, the oldest and most pragmatic is 'family'. Amongst other things, the institution of family relates to bonds of love, strength and trust in familial unity. Families are the arbiters of authoritarian and unequal arrangements. However, when we are to view pragmatic social scientific beliefs, Stretton (Gibilisco 1998) argues we should pragmatically follow the fundamental features of egalitarian policy. In an address at Monash University, referring to much of the post World War Two American sociology, Stretton (1980, p. 8) argues that:

Sociologists [had] lost interest in actual societies and their actual problems. They went looking for formal general theories of social coherence or change. They stopped studying actual communities, institutions, families or problems of poverty or unemployment or suburban loneliness or class or racial conflict

In other words, he is of the opinion that we cannot act on social theories that control human relations. Simply put, we cannot articulate the full systemisation of a social science. Thus, systematic social theories were trying to extract the core principles from sociology, particularly, as they were trying to turn it into a science. Under this regime, sociologists began to write less about the problems of society and more about the problems of theory and method within their discipline. Stretton believes sociology was hindered from focusing upon its core, the study of society and the affairs of minorities.

In the *Political Sciences* (1969, pp. 275-318) and again in a 1971 review of Friedrich's *A Sociology of Sociology* (1970), Stretton's pragmatic belief of the social sciences was critical of, and detached from, functionalist belief. Functionalism generalised about human action, imputing a system behind social functions. This systematic form of sociology was favoured throughout the 1950s and 1960s.

A division occurred between schools of thought pertaining to the pragmatic versus the theoretical forms of sociology. The change in sociology meant theory became dependent upon a form of jargon, which would more fluently cater to academic generalised empirical research (Stretton 1971, p. 224, p. 226). This is evidenced in the following statement by Talcott Parsons (1970, p. 108):

The combination of universalism and achievement orientation puts the primary emphasis on universalistically defined goal-achievement and on the dynamic quality of continuing to achieve particular goals. It does not emphasize a 'final' goal-state, which once achieved is to be maintained in perpetuity. The combination of universalism with achievement values puts the primary universalistic accent on process, that is, on means-choice and particular goal-choice, leaving the goal system fluid. In some sense the philosophy of Pragmatism epitomizes this orientation.

For Parsons sociological theory is recognised in its pragmatic relationship to science.

Stretton on the other hand, puts his faith in what he argues to be pragmatic conclusions to human actions. These conclusions can be seen as promoting common-sense solutions to the social and economic problems of society. According to Stretton (1978b, p. 10) researchers of systematic responses who have to choose what questions to ask and what general types of answers to accept end up knowing less about everything. Once answers are selected they must be simplified whether it is for the purpose of government or science. Stretton critically notes that there is no objective or technical form of

apparatus capable of giving such an exact analysis of social processes. The proposed scientised social process, he argues (Stretton 1978b, p. 10), like 'all social understanding of any complexity has to be value structured'. Social purposes are dependent on social understanding, which, in the long run, will be the rational guide of questions and selections.

Conventional Economics Where Progress Cancels Spirit

In contrast to many contemporary social scientists, Stretton (1978b, p. 16) believes it is necessary to distinguish between the technical elements of ideas and theories, and their normative and political elements in a more concise way. The basic differences pertaining to technical and political discourse need to be identified. Systematic responses are dependent on technologies and techniques in which social biases are concealed. However, Stretton's pragmatic style separates the theories dealing with politics from the theories dealing with technologies. The line between the two may have been blurred in favour of technology, but Stretton says, conventional economists argue that people in contemporary society value those items that are tangible rather than those that are intangible. Lane (1991, p. 548) disagrees:

It is much more important for people's well-being that their preferences genuinely express their authentic values and the deepest, least conflicted elements of their personalities than that their market choices be consistent or meet other formal criteria for economic rationality.

Conventional economics through the corrupt and corruptible philosophy of public choice theory is becoming a vehicle for the implementation of free market policies. This is evidenced by the failure of governments to find solutions to most complex societal problems. However, they rarely enact legislation due to real public choice and hardly ever to public satisfaction. Stretton and Orchard (1994, p. 3) argue that the current strain of 'public choice theory' is built on formal premises rather than observations of life. Seeking to imitate natural science, theories are developed according to Adam Smith's misrepresented beliefs of self-interest. Public choice theory has been developed as an egoistic, wealth maximising caricature of economic man. Public choice theorists argue 'that there can be no good ways to allocate public goods, manage public industries, arrive at collective social purposes, or govern democratically' (Stretton, and Orchard 1994, p. 1). It is obvious that what they believe to be collective social purposes are in fact subjective intentions to increase the power of private enterprise.

In his *Sambell Oration* (1996b) Stretton pointed to the work of conventional economists as being held accountable for today's welfare system that makes use of inhumane social transfers as part of a restructure of public services. It is a theoretical attempt to prune the services offered by the welfare system that allow welfare services to become an economically viable public service. Stretton argues that an absurd economic program was outlined in the 1995 *OECD* report. The report is based on the principle 'that national governments must balance their budgets, chiefly by spending less' (cited in Stretton 1996b, p. 6). Stretton (1996b, p. 4) summarises the theoretical thought of conventional economists; namely they propose that social security should be given at a rate which does not weaken incentives to work. Therefore, conventional economists can argue that it is helping to afford the maintenance of growth and productivity in the economy. Conventional economists (based on the principles of self-interest) believe governments need to cut back on what the welfare-recipients already get (Stretton 1996b). Dole payments need to be reduced to the bare levels of subsistence in order to act as an incentive for the unemployed to actively seek work. Therefore, driving home the notion that working is the only real means of existence. The cruelest thing about all this is that conventional economists are of the opinion a certain level of unemployment is necessary for economic growth. They believe that the unemployed can keep pressure on the employed. In other words, unemployment is crucial to fashioning competition in the labour market. Most neo-classicists will endeavour to follow the neo-liberal policy of continual reform, arguing in favour of lifting the pension age, cutting the pension rate and lowering income and asset levels for the disqualification of payments. Economic rationalism enhances the negative media stigmas of those who are granted social security. This is an expression of a power relationship and not a pragmatic conception (Stretton 1996b; Stretton 1980).

Conclusion

This article started with the responses Stretton gave to questions about his family and educational background. He participated in an educational program that would seem privileged to most, and it would follow that Stretton's privileged upbringing has become, in some way, part of the basis for his current political arguments. Stretton ideally is of the belief 'why can't happy childhoods be the normal unprivileged experience of everyone?' He believes that regressively deductive economic policies are part of a system that will ensure the denial of such benefits to the public at large.

This discussion has covered some of his theoretical arguments, based on an analysis of interviews I held with Stretton, and also an examination of his major published works. According to Stretton's critique conventional economics does not contain viable economic conclusions, and the social fallout from such policies is evidenced by the ever-growing gap between rich and poor that is warrant enough for such criticisms.

Stretton views society pragmatically rather than from a pre-conceived systemic approach. He is a firm believer in common sense as shown by the diverse roles we play in conscious activities. However, his style of pragmatism may be looked at as an alternative approach, because it is very much structured on an interpretation of various social sciences, and is not a pragmatism dealing only with scientifically based results. Stretton's theories are formed to develop practical outcomes.

The parts that centre on Stretton's theory of social democracy were structured according to answers he gave in interviews conducted in 1998. In these interviews, Stretton commended the description of him, as a 'pragmatic social democrat', and went on to explain in detail exactly what he meant by pragmatic. His approach to the social sciences shows little commitment to a systematic approach to scientific interpretation. Rather he looks to pragmatism, with its commitment to a common-sense approach towards the social sciences, to render a more wholistic viewpoint of society that is always in need of further adjustment.

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