

Where we are now

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A government which has deftly steered the economy through the worst economic crisis since the Great Depression, which has presided over rising real incomes, falling inflation and falling unemployment, and which is confronted by an opposition headed by a pugilist who promises to reverse its most popular initiatives, should be riding high in the opinion polls.

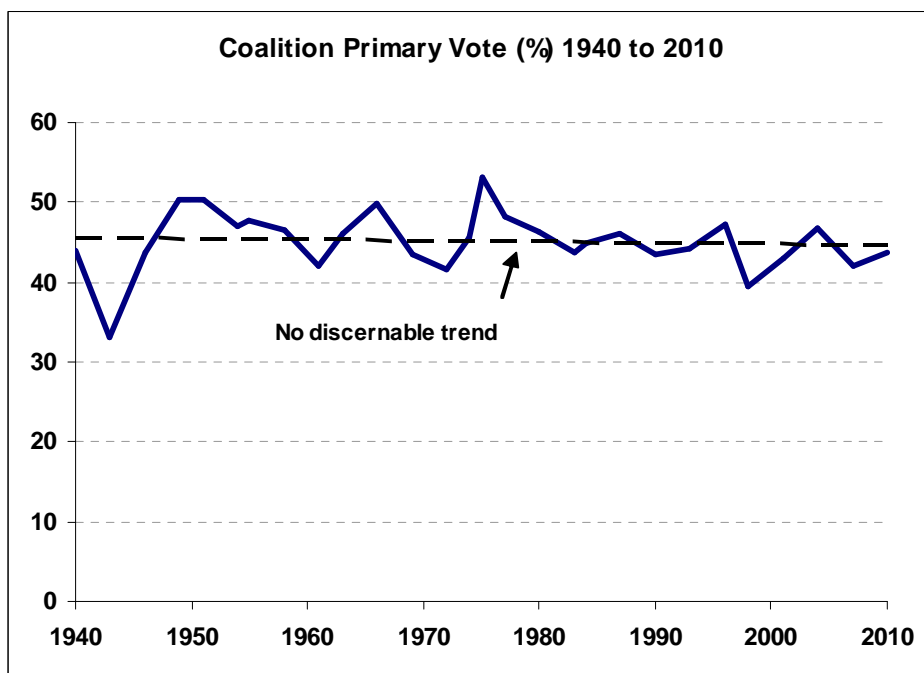
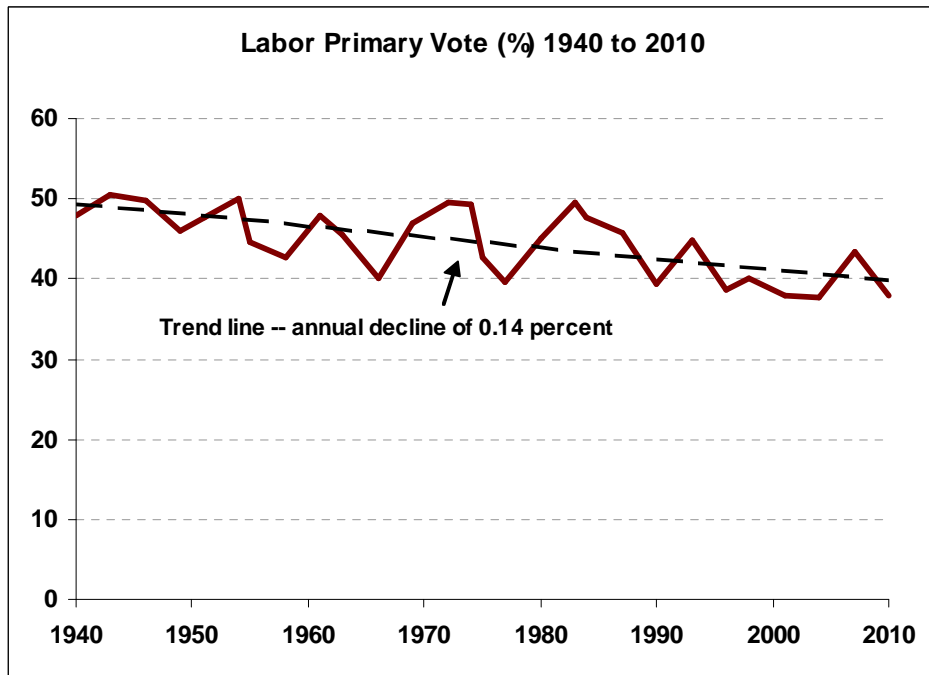
Explanations for the Government's poor showing abound: it lacks a parliamentary majority; Julia Gillard seems inept at exercising political judgement; the Craig Thompson affair has been badly handled; there is a strong perception that Gillard is untrustworthy and there is an attitude in the community that she is a usurper – “we voted for Kevin”.

These do not adequately explain the Government's electoral problems, however. Other governments have had similar difficulties, and while such problems have been politically costly, they have not resulted in such a dramatic slide in support as the current government has experienced. At its peak, a few months after Kevin Rudd was elected, Labor's primary support in Roy Morgan polling was in the mid 50s; by early 2012 it had fallen to the low 30s. It is understandable, therefore, that many would like to see a return of Rudd to the helm.

While a change in leadership may solve some problems of public perception, it would not solve deeper problems in the Labor Party itself. The uncomfortable reality, well-understood by people such as Steve Bracks, Bob Carr and John Faulkner who reviewed Labor's poor results in the 2010 election, is that Labor's primary vote has been on a downward trend for seventy years. It has had its ups and downs: it did well in the 1950s and 1960s, and very well in 1972. These were high points, however – fluctuations around a trend of falling support. A government needs a strong base of support if it is to ride out the inevitable difficulties which come with holding office and it has lost that base.

An analysis of Labor's primary vote in the 28 Commonwealth elections since 1940 reveals a downward trend of 0.14 percent a year. That may not sound much, but over that period it translates to a ten percent fall, from around 50 percent in 1940 to 40 percent now. By contrast the Coalition's primary vote has hovered around 45 percent.

It is possible that Labor's difficulties stem from its very success in creating a nation with a prosperous middle-class who now do not identify with traditional Labor values. That success owes a great deal to its close and formal relationship with the trade union movement. Is that model still functional? A short excursion into history may help explain Labor's successes and failures.



In 1891 the Labor Party was established to represent workers who, by any reckoning, were hard done by and who, by any reckoning, were hard done by and who weren't sharing in the nation's prosperity. Initially these were shearers and miners, and later they were in the expanding manufacturing, construction and transport sectors. Unions were natural

intermediaries in connecting workers to a party to represent their interests. It was a robust and efficient model for its time.

Labor also represented the interests of pensioners and the unemployed, but their numbers were small. A hundred years ago only 4 percent of the population was 65 or older – it is now 14 percent and growing rapidly. Also, apart from the years of the Depression, Australia generally suffered little unemployment. Only in two of the thirty years to 1974 did the unemployment rate rise above two percent. It was a political creed that a party representing the interests of Australian workers would have a wide and solid mandate, and more important, a clear and consistent ideology.

The Labor Party represented these interests well, although it was often thwarted by being in government at the wrong time and in the 1950s and 1960s was denied office by a corrupt distribution of electorates designed to favour Coalition parties. But although it has had few turns in office, it has had a huge influence on the country. Almost every modernization of public policy can be traced to Labor – sometimes even from opposition, as when the Menzies Government often took Labor initiatives as its own.

Labor was well in touch with its constituency, thanks to the people who came up through union and Labor ranks – generally practical people who had known personal hardship and who had experience on the shop floor. Curtin and Chifley were such people. A more recent representative was Mick Young, a shearer and organizer of the Australian Workers' Union, representing the large mass of largely unskilled and poorly paid workers.

Labor's traditional unionised base, however, has been eroding for years. Union membership is now only 18 percent of the employed workforce, or 1.8 million people, and only in a few industries such as transport, policing, hospitals and education, does membership cover more than a third of the workforce.

The old manufacturing industries have contracted and those that remain have become more capital-intensive. Where there were once easily mobilized large workforces in vertically integrated establishments, there are now dispersed workforces in smaller establishments. At the same time the ranks of unskilled workers have thinned dramatically. There has been some offsetting growth among teachers, nurses and public servants, but union members in these industries lack the collective identity that the old working class felt. And they're generally materially well-off, or at least not so badly off that they feel they want to mobilize politically (many are second-income earners). Also, teachers and nurses are very much constrained by their direct contact with those they serve – schoolchildren and patients.

The union movement is no longer representative of the broader community. Also, the focus of the union movement, understandably, has been on pay and physical conditions – what industrial sociologists such as Frederick Herzberg call “hygiene conditions”. As people's basic material needs are satisfied, they seek other outcomes from their work, such as respect, engaging work and autonomy, but unions, encumbered by the legacy of a legalistic framework, are ill-equipped to handle these concerns.

Also the link from the workplace through the trade unions to the Party has been weakened, because unions themselves have become more bureaucratized. Their office-holders are now

less likely to have come from the workplace and are more likely to have a career path that saw them working for a union soon after graduating with a degree in politics or law.

Yet, as pointed out in Ian Hundley in the Autumn/Winter *Dissent*, and in the Party's 2010 National Review, trade unions cling on to disproportionate power in the Party. *De facto*, the Party's base is narrowing.

It is not that trade unions are evil institutions: problems such as those experienced in the Health Services Union are no more representative of the union movement than the problems experienced by Centro Properties are representative of the wider business community. Rather, it is that the union movement has its own legitimate interests which are now less relevant to the wider community than they were in the past, and in many ways they now represent a force on the conservative side of politics.

This conservatism is most clearly manifest in environmental issues to do with forestry and in the strong stance the shop assistants' union has taken against same-sex marriage. Another example of conservatism at odds with community views relates to drink container recycling, where the AWU has aligned with beverage manufacturers to head off a widely-supported proposal to place a ten cent deposit on drink containers.

Politically, such close alignment places a Labor Government in a difficult position when the interests of unions and those of a government seeking progressive reform clash. It's not just about union influence in Caucus; it's also about the way such conflicts appear to the public as a lack of unity within the Party. Recent conflicts between the Government and unions over manufacturing industry support and use of foreign workers have come across as indications of Party divisions. By contrast, when a Coalition Government is at odds with a business lobby group it comes across as an exercise of strength in resisting sectional interests.

The above analysis would be familiar to Labor Party strategists, even if some have difficulty in facing up to its full implications. The Party's response to a dwindling natural constituency has been to resort to a more calculated approach to politics, relying on political strategists, opinion polling and focus groups, to pick up votes from wherever they can be found, and to focus on marginal seats. (Those who have studied politics will recognize the influence of "public choice" theory, a theory based on politics as a contest around economic self-interest.) It means a weakening of ideology, and, more practically, a lack of principles to guide public policy. Pragmatism rules.

This model emerged slowly, but was clearly operational by 1990, epitomised by Graham Richardson's "whatever it takes" style. Abandon ideology, do anything necessary to win or to hold office, do deals and don't ask where the money comes from. It's the philosophy of those for whom the prize is a seat in Parliament rather than an opportunity to implement a platform. A seat in Parliament becomes a job to be defended – in many cases a transition to retirement job for union and party officials as rewards for loyal and faithful service.

Those who have a passion for the public interest and public policy may find it difficult to understand such banal motivations, but it's a phenomenon in human nature that many people seek high office just for the sake of the trappings, the buzz and the prestige of office. (By the measures used by normal people the life of a politician is ghastly.) Harvard psychologist

David McClelland divided office holders into those who simply sought office, and those who sought office as a means to do something. Into the latter category come politicians such as Margaret Thatcher, Gough Whitlam, and even Tony Abbott (we'll come back to him). When ideology is no longer relevant, public office goes to people who seek office for its own sake.

The present Government, therefore, while it is technically reasonably competent, comes across as lacking conviction. It lacks a unifying sense of purpose with which it can engage the community. This is most evident in its policy on carbon pricing. A government with a strong sense of purpose would refer to Australia's obligation, as one of the world's worst greenhouse gas contributors, to reduce emissions, and would recall the occasions when Australia has taken a policy lead in international forums. But all we have is a dismal "what's in it for me" message, about "compensation" – straight out of the public choice textbooks.

So too with other policies. The decision to cut private health insurance subsidies was justified mainly on the grounds of meeting a budgetary target – there was no sense of restoring a health policy centred on a vision of social inclusion. On some initiatives a "right" faction wins, on others a "left" faction wins. On some policies, such as those to do with asylum-seekers and the Murray-Darling Basin, a timid quest for compromise manages to annoy voters across the whole political spectrum. There is no sense of underlying principles. As Malcolm Fraser said on the asylum-seeker issue, Labor, like the Coalition, has been out to capture the redneck vote. That's hardly a basis on which to build solid support.

For the Gillard Government most policies have to pass not only a focus group test, but also what may be called a test of Pareto distribution. That is, there must be no losers. A "good" policy is one which will not attract criticism on talkback radio. Politically, this approach is grounded in the notion that a government cannot afford to lose a single vote. There is no idea of tradeoffs, of losing support among some bases in order to secure a wider support, or of suffering an immediate setback in order to achieve a political gain in the longer term. We have seen this in the Government's evasion of any meaningful response to gambling addiction, where it has been frozen into inaction by the fear of losing a few seats in NSW, without considering the respect that decisive action could have won across the nation.

Labor politicians complain that they cannot get their message out, and there is some truth in this assertion. The Murdoch media deliberately misrepresents or ignores the Government's policies, and among other media, such as the ABC, there is a bias away from reporting policy – that takes hard work, whereas a grab about Julia Gillard's appearance, or the "atmospherics" of Parliament can be knocked up in a few minutes for presentation on Fran Kelly's Breakfast Show.

Even were this fog of trivia to be cleared away, however, there isn't much of a consistent message to come out. There are many good initiatives, but there is no clear unifying ideology – no "narrative" as some say. There are often apologetic messages that undermine the Government's own achievements, such as a throwaway line that "families are doing it tough". That line may score well on a focus group sentiment meter, but it contributes to an impression that somehow the Government has caused economic hardship, while in reality most Australians are enjoying prosperity such as they have never had before.

The immediate consequence of this approach to policy is to leave voters feeling patronized with spin and petty bribes. Worse, in terms of the Party's long-term future, it hardly inspires

people to join the Party. Its membership has been falling and ageing for many years. Old parties such as Labor and the Coalition parties already have the burden of processes which entrench the influence of time-servers and factional cliques. If, in addition to this burden, there is no sense of public purpose and no ideology, there is little attraction for people with passion and imagination. At the expense of a tautology, conservative parties can get away with being conservative – they don't need a strong ideology or a sense of purpose – but a progressive or "left" party needs a clear vision in order to mobilise support.

The Labor Party no longer inspires people. When Rudd defeated Howard we didn't see thousands celebrating in the streets, as happened in Paris when François Hollande defeated Nicolas Sarkozy (a politician far more moderate than Howard). Could we imagine 3000 enthusiastic young people gathering in a Labor Party summer camp? (The Labour Party summer camp on Norway's Utøya Island, brought so tragically to our attention, attracted 650 people. Scaled up by relative population that would be equivalent to 3000 young people in Australia.)

In 2007 people decidedly voted for a Labor Government, even if the transition lacked the exuberance of the victory of the French socialists. Voters had become aware of the wasted opportunities of the Howard-Costello years. Rudd's rhetoric was about progressive policies and he was seen as free of the constraints of the old Party machine.

What they got, however, was not greatly different from the government they had just voted out, and when Gillard took over they found the machine to be alive and well.

What could propel the Coalition into office at the next election is not some attraction to its policies or to its leader (polls show both are unattractive to the electorate), but a feeling that if we must have a conservative government we may as well have the real thing.

In an Essential poll in May this year people responded with beliefs that the Coalition was much more united than Labor, more in touch with ordinary people, more sure about what they stood for, and had a clearer vision for the future. (Neither party, however, scored particularly well on these criteria.)

Coming so soon after the exposure of deep conflicts between Hockey and Abbott on welfare policy, and in light of the simmering tensions between the Abbott and Turnbull camps, these results may be surprising. The Coalition has strong ideological divisions. There are deep conservatives (who would turn the clock back to an imagined past), traditional Burkean conservatives (who accept slow progress), classic liberals (not many adherents, but including Turnbull) and neoliberals (who would pursue strong withdrawal of government services and deregulation, including labour market deregulation). That is not to mention the National Party, which seems to lack any guiding economic philosophy.

Voters are prepared to overlook such divisions and tensions. They know the Coalition, or at least they believe they know it, based on its long periods in office which have generally been ones of steady economic growth. The postwar history of Australia is one of Labor Governments undertaking politically difficult reforms, with Coalition Governments generally enjoying the benefits of those reforms, when we can feel "relaxed and comfortable". People are prepared to put up with the mendacity and hypocrisy of Coalition Governments because

they have come to be associated with economic stability and a manicured image of “respectability”. And the Coalition has been very successful in reaching into Labor’s traditional base – Howard’s “battlers” provide a case in point. Labor, while it had a progressive ideology, had a strong following among higher income groups with a social conscience, but its opportunism is losing that vote.

The Coalition’s main strength, however, is their confidence. They see themselves as the “natural” government of Australia. That confidence dispenses them from any obligation to justify their policies – just as it would be impertinent to subject Nicole Kidman or Hugh Jackman to an audition for a movie, so would it be offensive to ask the Coalition to subject their policies to scrutiny.

It’s a confidence we take for granted. Listen to ABC journalists – whenever they refer to a Labor federal or state government they almost always say “the Labor Government”, whereas if they refer to a Coalition government it’s “the Government”. A Labor government needs that qualifying adjective because, you know, sort of, it’s not quite a legitimate government.... People who grew up in postwar Australia grew up thinking that the words “Opposition” and “Labor” were synonymous. (I recall a senior public servant, in a rare unscripted moment, referring to the early postwar period as one “when the Opposition was in government”.) Listen to the talk at cocktail parties and other gatherings of Liberal Party supporters. It’s never about implementing a platform. Rather, the *raison d’être* of the Party is to “keep Labor out of power”, and more recently the language has become much more intemperate – the pub talk and the on-line comments on political articles have become vituperous.

This is the traditional view of the Coalition, and the Liberal Party in particular. But Abbott himself does not fit this mould, because he does have an ideology. There are certain common threads in his proposals, which many seem to dismiss as random thought bubbles.

Abbott’s religion is relevant, a point overlooked by most political commentators. Perhaps there is a degree of self-censorship, because to many people mention of religion in politics is a reversion to divisive sectarian politics, but this is to misunderstand the Catholic Church by assuming it is a monolithic entity. This assumption is conditioned by fact that until the postwar immigration rush, most Australian Catholics were of Irish background, a culture which is an integral part of the Australian mainstream. Apart from puritan attitudes to sex (offset by libertarian attitudes to booze and gambling), and odd dietary habits on Fridays, Australian Catholics have never posed any threat to the nation’s secular traditions. Most of our Labor prime ministers, including Keating, were brought up Catholic. Turnbull and Hockey are Catholics, although not from the Irish tradition. But Abbott’s tradition is something different again.

To describe a politician as a “Catholic” gives about as much guidance to his or her philosophies and allegiances as describing his or her hair colour. Catholic political movements range from Marxist liberation theologies through to the far-right Opus Dei movement. Contemporary Catholic social teaching stresses the virtue of social solidarity, and the Catholic Church, like most enduring religions, condemns those who would foment hatred and division, and who would make political capital out of people’s suffering, as Abbott has

done with asylum-seekers. His political behaviour is somewhat detached from those moral values.

But he does seem to conform to an older model of Catholicism. There was a sect of Catholicism, in early 20th century Britain, where people such as Hilaire Belloc, G K Chesterton and Evelyn Waugh coalesced around a political philosophy known as “distributism”. The movement was anti-capitalist, anti-socialist, anti-state, anti-social progress and anti-technical progress, but pro an idealised paternalistic pre-reformation benign theocracy. It was very much influenced by a papal encyclical *Rerum Novarum* promulgated in 1891 (the same year as the Labor Party was formed), as a reaction to the great secular forces of the time – communism and market capitalism. It tapped into widely-held concerns about alienation and loss of community values – a theme picked up by secular commentators such as Ferdinand Tönnies in his 1887 work *Gemeinschaft und Gesellschaft*. It is easy to see how such a movement can be co-opted by those who come to see government not as a contributor to the common good, but as an evil leviathan.

There are echoes of this philosophy in Abbott’s statements and in his history. Opposition to the National Broadband Network is natural, because the NBN, like most new technologies, is disruptive to existing social and power structures, and worse, it is publicly-owned. So too is it natural to oppose a carbon price, because anything that results in industrial transformation is similarly disruptive. Support for private health insurance is natural, because whatever the cost, non-state solutions are to be preferred. He is criticised for promising tax cuts and increases in welfare while cutting government expenditure, which can only mean deep cuts in economic services such as health, education and infrastructure, but that’s quite consistent with his anti-state ideology, and is a wider extension of the Howard policy of cutting government services while increasing distributive welfare – a policy which buys voter support in the short-term but which ultimately cripples the economy. His visceral dislike of government extends to contempt for Parliament, illustrated by the way he manipulated the asylum-seeker issue to bring parliamentary democracy itself into disrepute.

His anti-republicanism is not just opportunistic; he has a genuine affection for an imagined “old” England – a very old England. (Consider his travels since he became Opposition Leader.)

Too few people understand his ideology and how it would freeze Australia’s economic progress. The “left” sees him as an idiot, but he is intelligent and cunning, while “right” sees his ridiculous statements as crafted appeals to populism, believing he will come good when he achieves office. And too few people realize how well he has adapted the strategies of the boxing ring to the craft of politics. To misquote von Clausewitz, he sees politics as “the continuation of war by other means”.

His political strategy is to create enough noise and confusion to drown out any debate on public policy. It’s a common tactic used by those who want to hide their true agendas. Through bias and gullibility, our media have been his helpful ally.

His agenda is at odds with the political spirit of the times. When Australians in 2007 voted for Labor they were expressing a desire for something more in keeping with what they had experienced in the Hawke and Keating governments – social inclusion through shared health care and quality public education, a fairer tax and welfare system, rewards for work and

enterprise rather than financial speculation, public investment in infrastructure, industrial modernisation, and generally a progressive political agenda. They have been let down.

That disillusionment is minor compared with what would occur under an Abbott Government, as it strips away government even further, reducing its role to a version of the medieval church, distributing alms and health care to the needy poor – and of course to Howard's "battlers".

Both the main parties are out of touch – for different reasons. Labor is too captured by its legacy, the Coalition by its infatuation with Abbott's success in the opinion polls.

There are other political movements, of course. The Greens now seem to be reasonably well-entrenched, as they are in Germany. And, in our delicately-balanced Parliament, independents have brought a measure of sanity and concern for good policy to the table.

To return to the analysis at the beginning of this article, if the Labor vote has been sliding and the Coalition vote has been stable, that means the combined two-party vote has been slipping – from 90 percent to 80 percent over that period. The possibility we face is that this trend could turn into a collapse, as has most notably occurred in Greece, where in four years the combined vote of their "left" and "right" parties slipped from 77 percent to 32 percent in the indecisive first election, and even in the second election recovered only a little, to 42 percent, with much of the space so vacated occupied by political extremists. This is reminiscent of Europe in the 1930s, when economic stress and the failure of mainstream political movements gave space to the rise of fascism.

It's a risk we face in Australia unless the Labor Party sets about reform and the Liberal Party turns to policy and away from pugilism.