The Australian Labor Party and the Notion of Economic Management

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The Australian Labor Party and the Notion of Economic Management
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Abstract

This article begins by contending that the parliamentary Labor Party has demonstrated considerable diffidence towards economic and social policy since the 1998 election. In no small way this diffidence led to the electoral problems faced by Labor leading up to the recent 2001 election. In terms of short-, medium- and long-term prospects, the article isolates the notion of ‘economic management’ as one of the more critical of the ALP’s policy woes. Specifically, the article examines the public stance of the ALP towards budget deficits/surpluses, interest rates and inflation. Importantly, the article incorporates the views of some key ALP parliamentarians. The article contends that Labor’s apparent reluctance to confront the notion of ‘economic management’ satisfactorily can only lead to further malaise.

Introduction

Academic and general sympathisers of the Australian Labor Party (ALP) will know of the internal review that the ALP undertook after it lost office at the 1996 federal election, an election result that some commentators assessed as its worst defeat since 1931. The ensuing review was the first major review of the Party since the late 1970s. After the Party’s experiment with policies generally seen as inimical to the interests of working people (Maddox 1989; Maddox & Battin 1991; Scott 1991; Battin 1993), a more traditional ALP platform was formulated and adopted in January 1998. In light of the performance of the ALP at the October 1998 election, where Labor achieved 51 percent of the two-party preferred vote and almost reclaimed office, the surprising development was that the parliamentary Labor Party began to distance itself from the platform that it had taken to the 1998 election, reversing the trend to rebuild the confidence of Labor people, and producing a revised platform in July 2000 (Scott 2000a). The recent failure of the ALP to win office at the 2001 election has again impelled the organisational and parliamentary wings of the Party to review both the policy stance of the Party and its structure. Much commentary following the 2001 election has been critical of Labor’s strategy of minimising policy difference between it and the Coalition over the period of 1998 to 2001, and in particular in the twelve or eighteen months leading up to the 2001 election. From a Left perspective, this article shares in that criticism and, more particularly, explains Labor’s diffidence over economic policy by isolating and analysing the notion of ‘economic management’ and the ALP’s chosen methods of dealing with this notion.

It will be argued that dealing with the notion of ‘economic management’ is critical for the ALP’s short-, medium-, and long-term prospects. Whatever the outcome of the 2001 federal election might have been, the ALP would have had to address the
prevailing view in the electorate that its Coalition opponents are superior economic managers. The ALP’s failure to win office at the federal 2001 election can be attributed at least in part to the electorate’s perceptions of sound economic management.\(^1\) On the other hand, if the ALP had won office in 2001, its potential to shape the political agenda of economic and social policy would have been extremely limited because the ALP had imbued a fiscal policy stance inimical to social democratic policies. The remainder of the discussion argues that the issue of ‘economic management’ is fundamental to Labor’s future because it is demonstrative of so much else that is wrong with contemporary Australian economic and social policy debate.

At the level of public opinion, polling by the Newspoll group over recent years, and more importantly in the period leading up to the recent election, consistently shows that most voters tend to express a view that the ALP is a superior performer on a range of policy areas such as health, education, social welfare, industrial relations, social issues, and so on. The category in which Labor consistently does not poll as well as the Coalition is in the category of being able to ‘handle the economy’ or ‘economic management’ (The Australian, 7.11.01 p. 4).\(^2\) When this broad category is broken down into sub-categories, we learn that voters express a preference for the Coalition’s economic management on the basis of inflation, interest rates, and, presumably, budgets that are in balance or surplus (The Australian, 26.9.01, p. 12). (The category of ‘taxation’ does not elicit a consistently expressed preference for either Labor or the Coalition (The Australian 22.8.01, 26.9.01, 24.10.01).) Significantly, in a Newspoll published in August 2001, in which respondents were asked to express a preference for leaders on a range of issues, they expressed a preference for Kim Beazley over his opponent on every issue save one - ‘capable of handling the economy’ (The Australian, 22.8.01, p. 14). By combining political-economic analysis with knowledge gained from interviewing six key ALP parliamentarians, this article locates the notion of economic management as a fundamental issue confronting the ALP.\(^3\)

### The Way Perceptions are Made

From the moment the Howard Government came to office in 1996 it pursued the idea that the budget deficit had to be reduced and, subsequently, a surplus created as part of creating a perception that good fiscal policy is akin to austere (and rather fundamentalist) household budgeting. It is now well documented that the Howard-Costello administration argued that the massive reduction in outlays was needed because of the level of public debt inherited from the Labor administration, despite

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1. Constraints of space prevent entering into other possible factors, such as refugee policy. Suffice to say that I am of the view that Labor’s minimal difference strategy on economic policy was a more fundamental reason for the defeat; Labor’s electoral difficulty with refugee issues was a function of the extremely soft electoral support it had attracted overall by the first half of 2001.

2. There are some other categories in which the Coalition is preferred, but these are not numerous, nor do they consistently rank highly.

3. The eight ALP parliamentarians approached were Kim Beazley, Stephen Conroy, Simon Crean, John Faulkner, Carmen Lawrence, Jenny Macklin, Bob McMullan, and Lindsay Tanner. The parliamentarians were chosen on a basis of insider versus outsider status with regard to electoral strategy. Citing their busy schedules, Mr Crean and Ms Macklin declined an interview.
the fact that the Coalition’s election policies were said to be non-conditional on the inherited level of debt or deficit (Dullard & Hayward 1998; Davidson 2001/02).

The way in which the Coalition was able to use the propaganda of the ‘$8 billion black hole’ with apparent ease suggests a fundamental failure of the ALP to communicate some basic economic principles to the public. For example, to what extent the Treasury figure shortly after the 1996 election was calculated on the basis of overly pessimistic assumptions about growth has never been properly understood. In this case, the principle to highlight is that (forecasts of) slower economic growth or recession will mean (forecasts of) a larger deficit without a single taxation or expenditure decision being changed. It is what economists refer to as the cyclical component of a deficit (or surplus). The ALP’s failure to combat the nonsense of the ‘$8 billion black hole’, subsequently revised to a figure of $10 billion, was later compounded when Labor failed to point out that the entire argument was groundless, since the slashed programs were never restored when a surplus eventuated in the upswing of the business cycle. Labor never fully exploited the opportunity to inform the public that the ‘black hole’ propaganda was merely an excuse to slash programs that addressed areas of social need. (The rejoinder that the surpluses were needed in order to repay Labor’s debt is quite dubious; reductions to government debt throughout the life of the first and second Howard Governments were funded in large part by privatisation, an issue taken up below.)

Nevertheless it is a measure of the Coalition’s success that, whereas Labor (as recently as early 2001) was once prepared to defend the principle of budgets in balance over the business cycle, by the time the 2001 election was drawing near Labor became locked into the quite fanciful notion of the imperative for surplus budgets no matter what the stage of Australia’s business cycle. The worrying aspect of this development is that Labor was captured to a view that many orthodox economists reject. Alan Oster, chief economist at the National Australia Bank, for example, pointed out during the election campaign that it is quite foolish public policy for governments or prospective governments to have an a priori position on a need for budget surpluses without regard for the need for possible expansionary policy (PM, ABC Radio; 7.30 Report, ABC Television, 17.10.01). Again, Labor’s acquiescence was an indictment of its ability to communicate a basic principle to the public: deficits per se are neither good nor bad. What matters is the appropriate use of fiscal policy and the specific purposes of a deficit.

Over the life of the first two Howard Governments the Coalition was intent on convincing the public that balanced and surplus budgets were desirable. In order to accomplish this the Coalition had to construct an argument that it was a superior economic manager because interest rates fell after the government’s reduction of the budget deficit. The line of reasoning employed is a classic case of post hoc, ergo propter hoc: interest rates fell after the budget was brought into balance, therefore the lower rates were caused by the balanced budget. (In addition, throughout the second half of the 1990s, there were, to be sure, memories of high interest rates under Labor in the early ‘90s, and the Coalition was able to play on these memories with considerable effect.) The direct relationship between balanced or surplus budgets and lower interest rates was pursued aggressively by the Coalition. From its point of view, one of the extremely fortuitous things that occurred which seemingly lent support to its claim that there is a connection between lower deficits or higher surpluses, on the
one hand, and lower interest rates on the other, is that nominal interest rates through
the 1990s were generally falling (albeit with a brief rise in the mid ’90s just prior to
the 1996 election). That is, interest rates were on a definite downward trend, as shown
in the figure below.

![Figure 1: Downward movement of nominal interest rates (90 day bank bills)
and the downward movement of the inflation rate in the 1990s](http://epubs.scu.edu.au/jesp/vol6/iss2/1)

As politicians of all persuasions will tell the public, lower inflation is desirable, but
the public is rarely informed that the difference between the nominal interest rate and
the inflation rate is the real rate of interest, and that the real rate of interest is a more
suitable figure to use when making comparisons over time. This point of comparison
might have been identified by Labor in partially defending its record between 1993
and 1995, but such a comparison was never made.

Interest rates in a small open economy such as Australia’s are partly determined by
the prevailing long-term interest rates elsewhere in the world, and (as suggested by
the above figure) by the domestic rate of inflation. When these two factors are
favourable, as they were increasingly through the nineties, the third factor
determining interest rates, domestic monetary policy, has a much greater potency. It is
necessary to point out, then, that the Howard Government has been extremely
fortunate, first, in that interest rates in the major OECD economies, and particularly in
the US, were trending down throughout the 1990s, and, more pertinently, in the
second half of the decade. Second, inflation has also fallen in the major OECD
economies over the same period. It is this set of fortuitous events which seems to have
afforded the Howard Government the opportunity to preside over lower nominal
interest rates.

In order to challenge the view of right-wing politicians that it is the elimination of the
budget deficit that is responsible for lower interest rates, we should consider the
theoretical argument and empirical evidence that these individuals and their
supporters use to advance their case. The idea that a smaller deficit or larger surplus
will have a downward pressure on interest rates relies on a variation of the ‘crowding
out’ theory. If a public expenditure increase succeeds in increasing economic activity, the argument runs, more money will be demanded by the public, and the public will thereby force up interest rates (Nevile 2000, p. 159; 1997). As John Nevile points out, the implicit assumption of those who subscribe to this theory is that the monetary authorities would attempt to, and would be successful in, maintaining a constant stock of money. Yet the authorities do not do this (Nevile 2000, p. 160). They focus directly on interest rates: ‘the rate of the growth of the money supply is only one of many factors that they take into account when determining interest rates’ (Nevile 2000, p. 160; see also Arestis and Sawyer 1997).

When we turn to the empirical evidence to support a correlation between interest rate movements and the level of the budget deficit or surplus as a percentage of GDP, we find that there is none available, as the figure below indicates.⁴

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⁴ When this argument was put to Bob McMullan, the shadow treasurer, he responded that while he broadly accepted that there is no correlation between budget deficits and interest rates, a correlation between budget deficits and inflation was another matter. Interview with the author, 12.3.02. A comparison between the inflation rate in Figure 1 and the budget deficit in Figure 2, however, does not support any such correlation.
Nevile (2000) observes that the international evidence gathered by others corroborates what is found to be true of the Australian situation: no evidence exists to sustain the claim that lower interest rates are caused by lower deficits, balanced budgets or higher surpluses.

On the matter of having to eliminate budget deficits so that Australia could retain low interest rates, there is a considerable irony to note in Labor’s acquiescence to the Coalition. It is noteworthy that the Coalition seemed not to rely very heavily on the notion that the budget deficit had to be eliminated because the international markets would demand such measures. Ironically the Howard Government used this argument only as a complement to other arguments that served as the mainstay: getting one’s household in order and paying off the bills. Perhaps Labor’s prior (and residual) preoccupation with globalisation rhetoric and its concomitant policies made it ill-equipped to counter the more dubious of the Coalition’s arguments. The important and ironic point is that it was the Coalition that was able to create the perception - albeit by specious means - that (in terms of interest rates at least) Australia is master of its own destiny, a perception which runs counter to the entire logic of globalisation rhetoric of the past fifteen years. Here, the Coalition made an important, though only partial, departure from neo-liberal versions of globalisation rhetoric.

Another orthodox argument that neo-liberals use to defend budget surpluses is that surpluses will fund a reduction in public debt. The Howard Government at most times tended to argue that the reduction in public debt was a good thing *in itself*. Most orthodox economists, however, would want to pursue a more defensible line of argument that reductions in the public debt are necessary so that money that would have been expended on interest payments to service the debt can now be devoted to other areas of government priorities.

The argument that reductions in interest payments are desirable so that funds can be channelled elsewhere is intrinsically plausible, yet there are two problems with the Howard Government’s use of the argument. The first is that Australia’s public debt is
not large either in historic domestic terms or in contemporary international terms. In historic terms, Australia’s public debt - at 26 percent of GDP in 1995, 23 percent of GDP in 1997, and estimated to fall to 5.5 percent this financial year - is the lowest in decades and quite low over a longer term. In comparative terms, Australia’s net debt - even if 1995 is the point of comparison - is one of the very lowest in the OECD. Such low debt might be an indicator of good economic management if economic and social policy more generally was addressing the many needs of society. That is, if Australia could boast full employment, if its educational, health, and childcare and agedcare institutions were fully operational, rather than dysfunctional - if the surplus could actually be shown to be surplus to requirements - there might be a reasonable argument made for reduction of public debt, low as it is. In the absence of such democratic amenity, however, no such argument exists.

The second problem with the Howard Government’s boast of reducing public debt is that it has done so largely through the 49 percent sale of Telstra and the sale of other public assets. Apart from the fact that the sale of these assets merely substitutes private debt for public debt, the more important point to make is that whenever it disposes of a high performing asset, government forgoes the financial benefits of the public ownership of that asset as well as the social benefits. In the case of Telstra, the financial detriments in the sale have been severe (Quiggin 1999; Walker & Con Walker 2000). Leaving aside the monumental mismanagement of the first tranche sale, which undervalued the share price by 73 percent on the first day of trading, the critical point to make is that the sale contradicts the central principle of businesslike behaviour. Good economic management is predicated on the principle of getting value for money and on retaining revenue-earning and particularly high-performing assets.

What Should Labor Have Done?

For reasons explored below, the ALP seemed not prepared to change public opinion about budget deficits or their supposed link with interest rate movements. (On the other hand, the parliamentary Labor Party seemed willing to engage in a public debate about the benefits and costs of privatisation, but, strangely, it was not as engaged in debates about public debt - probably owing to the link that the Coalition had made between Labor’s successive deficits and the level of public debt or the Coalition’s conflation of public debt and foreign debt.) Labor strategists possibly would argue that the ALP was locked into a situation where it had to accept the notion of the surplus. But this situation, as unsatisfactory as it is from a traditional Labor

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5 According to Walker and Con Walker (2000: 228-9), by 30 June 1999, the one-third of Telstra shares that raised $14 billion were now trading at $37 billion, a loss of value to the public sector of $23 billion.

6 The Coalition attempted to justify the sale of Telstra on the basis that it could reduce government debt and therefore interest. However, based on the market price at the end of the first day, the sale of the first tranche was equivalent to borrowing at an interest rate of 8.4 percent - compared to the long-term bond rate of 6 percent. Based on the 1999 market valuation, which was four times the issue price, the sale is the equivalent of the Government borrowing at an interest rate of 24 percent (see Davidson 1999).

7 While none of the insiders would admit to this, the general view of the outsiders was that Labor was being swept along. Indeed, at least two outsiders specified that the 2001 strategy was not to draw the public’s attention to the Coalition’s perceived strength. Lindsay Tanner went further by delineating policy areas that are seen as ‘their territory’, such as economic management and
perspective, did not necessarily have to paint Labor into the corner in which it found itself during 2001. More political ineptitude was needed to achieve this. The ALP was unwilling or unable to provide an alternative means of expansionary economic policy and balanced budgets.

The principle of the balanced budget multiplier provides a ready means to a Labor party interested to initiate expansionary economic policy designed to serve social needs. That is, even accepting for reasons of electoral expediency that budgets had to be in balance, there was still much that Labor could have done differently. The principle of the balanced budget multiplier, simply stated, is that governments which have adopted a view that deficits are undesirable still have the alternative means at their disposal of greater spending on social programs and on wiser economic policy by raising extra revenue, or by changing the priorities of spending, or by mixing the two. The public comments by the Victorian ALP senator, Stephen Conroy, in May 2001, presented the last reasonable political opportunity for Labor to seize the initiative to change Labor’s spending priorities and its revenue stance. Instead, the Labor leadership retreated.

In terms of spending priorities, the obvious place to initiate an expansionary policy program based on the balanced budget multiplier is with wasteful and unfair taxation expenditures. Reducing tax expenditures allows a government to commit funds elsewhere and thereby change its priorities away from relatively wasteful and inefficient activity to relatively productive and efficient activity. This is what good economic management is all about. One of the more outrageous of current tax expenditures is the more than $3 billion expended per annum in order to provide a subsidy to private health insurance ($2.5 billion spent on the 30 percent rebate itself and $0.75 billion foregone by exempting high income earners from the 1 percent Medicare surcharge). An extra $3 billion would considerably have advanced the aims of Labor in the 2001 election by funding a lot of bed spaces in public hospitals and creating thousands of jobs in the process. There are other obvious candidates for reductions in tax expenditures and corresponding increases in worthwhile investment. Approximately $10 billion per annum is currently forgone by the Commonwealth to subsidise superannuation activity. Some of this is necessary because it assists low-income earners with their superannuation contributions. Much of it, however, is wasteful and inefficient because it is overly generous in the subsidy it provides to high-income, self-employed people. Just $5 billion would make a dramatic difference to a great range of social services and create considerable employment in the process (and so further relieve the call on government spending).

refugees, and policy areas that are ‘our territory’, such as health and education. Interview with the author, 11.3.02. The aim of the present argument, however, is to demonstrate that such a delineation, at least while accepting the terms of those who falsely claim to be good economic managers, is a disaster.

The theorem of the balanced budget multiplier is predicated on the assumption that a redistribution of income (through, say, a reduction of taxation expenditures and an increase in direct spending on services to lower income groups) will have a multiplier effect arising from the spending of the hitherto unspent (saved) component of income previously retained by higher income groups.

Other items of tax expenditures could be identified and added to the list of possible reductions. The point is that, even accepting that Labor made a judgement of expediency that it had to comply with the political-economic orthodoxy that budgets had to be in balance or surplus, and even accepting that Labor believed it could not go to the people with a proposal to increase taxation or introduce a new tax, there were other initiatives available to it.

I have been arguing that there are severe limitations imposed upon advocating policies of social justice if the advocates of such policies fall for accepting the terms of neo-liberal or economic fundamentalist arguments concerning good economic management. The way Labor has found itself locked into its present predicament is in some ways a case of history repeating itself, as a glance at the early 1930s might indicate. Today’s notion of ‘economic management’ in many ways resembles the 1930s orthodox notion of ‘sound finance’, a set of ideas that did enormous damage to Australia’s working people and to the labour movement. Yet the present critique of Labor’s stance has been made as conservative as possible to avoid the possible objection that the argument is too ambitious. It is quite possible, however, to extend the present critique to include other fundamental illustrations of the economic mismanagement of the Australian economy by both the present Howard Government and previous Labor governments.

The fundamental demonstration of economic mismanagement of the past two decades, of course, is unemployment. Putting aside the obvious moral issues at stake, and the scandal in not highlighting them, Labor has squandered enormous political opportunity in not using the reality of unemployment as the obvious illustration of both the waste of contemporary capitalism in general and the economic incompetence of the Howard Government in particular. The economic costs alone of unemployment are vast. Watts (2000, pp. 21-48) has estimated the costs of unemployment to be in the order of $40 billion per annum. In this environment it is astonishing that any government can pursue the claim that it is a good economic manager. With little doubt, Labor has been hampered in laying the charge of incompetence because of its own abrogation of responsibility for unemployment when it was in office. Nonetheless, it could still make the point that successive Australian governments have become poorer economic managers the more and more neo-liberalism has been absorbed into economic and social policy. Such a stance, however, would require an explicit rejection of the neo-liberal experiment, a matter taken up presently.

There has not been the scope to deal here with other important aspects of the Australian economy that prima facie contradict claims made about superior economic management. One of the more pressing is the level of foreign debt and the current account deficit. In the early 1980s Australia’s foreign debt stood at approximately $350 per person; today Australia’s foreign debt is $15000 per person and rising. All

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10 At the present time Labor also seems likely to support the notion of tax credits to increase the take-home pay of low-income earners. This will mark the final abandonment of the principle of a needs-based minimum wage. It is predicated on the neo-liberal belief that there is a relationship between higher minimum wages and higher unemployment, a notion recently challenged by Graham White (White 2001).

11 In the mid-1970s Australia had an unemployment rate lower than the OECD average. Each recessionary period since has seen this position deteriorate; unemployment has been ratcheting up (Dow 1992; Boreham et al. 1999; Bell 2000).
of these factors point to what the eminent economist, the late Russell Mathews (1995), called the ‘appalling’ economic record of governments since the mid 1970s.

**Labor’s Impasse**

The political disadvantage to the ALP in maintaining a seemingly indifferent stance to the advance of neo-liberalism is obvious enough in the immediate term, as we observed in the 2001 election campaign. It is also reasonably obvious that Labor will confront a political impasse in the longer term (Scott 2000b, 2001). If Labor allows itself to be locked into the current economic orthodoxy on a more permanent basis it will consign itself to a very narrow range of economic and social policy choices. Politically and ideologically, the Australian Labor Party may then find in the longer term that it will travel the road taken by the American Democratic Party - a party extolling values of fairness and enlightened development, but locked into a system where it is unable to formulate policies that pronounce such values.

If we substantially accept the argument thus far, the obvious question is what is the primary impediment to Labor adopting policies along the lines sought by the great majority of its declining membership as well as its erstwhile and traditional supporters? At the time of writing there is no shortage of opinion as to what the answer is. What follows, then, is a very truncated discussion that is necessarily selective.  

The most obvious response from members of the parliamentary Labor Party might well be that they do not in fact accept the present argument. That is, in important respects key powerbrokers in the Party share the economic views of their opponents, or at least believe that the advantage that the Coalition currently enjoys is insurmountable. If that is the situation, there is not much point in an attempt to analyse motives. More optimistically, there seemed some consensus (at least from the outsiders) that Labor could challenge the terms on which the Coalition has built a reputation for economic management, but that such a challenge would have to be made over at least a medium term (of say three years). Whatever the collective view, it is clear from the present argument that the implication of a platform and policy stance that does not challenge the premises of neo-liberalism (or its vacuous ‘third way’ cousin) is that Labor will confront overwhelming electoral problems.

Another possible reason for Labor being caught in the present impasse is historical: Labor recognises the problem but does not know how to disconnect itself from its neo-liberal period of, say, 1986 to 1996. The ALP is known for its tribal allegiance and this may have been a factor in the Party’s reluctance to criticise policy decisions taken in government. Kim Beazley’s overworked phrase in the lead-up to and during the 1998 election that he and his party ‘had had to eat a lot of humble pie’ was a somewhat corny one made necessary because Beazley seemed unwilling to use more incisive language that would have more accurately told the story, simply because it

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12 We do not have the space to discuss, for instance, the very important issue of democratic participation by the rank-and-file of the ALP.

13 Depressingly, this seemed to be somewhat the case with Lindsay Tanner.
was thought that such a story of fundamental revision could not yet be told. A revealing outcome of the work of Evans, who adopts interview research, is the great extent to which Labor parliamentarians attributed the good results of 1998 to the negativity towards the Coalition, and in particular its GST, rather than anything positive the ALP enunciated. The parliamentary Party stopped struggling with the Keating legacy (2001: 50-2). Yet the situation seems clear: in order to challenge radically the claim of its neo-liberal opponents that they are superior economic managers, the Labor Party will have to acknowledge the errors of its neo-liberal past.

A perennial issue of Labor debate concerns the electoral base itself. One view from the Right is (and always has been) that Labor must appeal more to ‘middle Australia’, ‘swinging voters’, or, to use the latest terminology, ‘the aspirational vote’. The issue of what mix of policies Labor could devise in order to appeal to a majority of voters is of course a complex one and cannot here be given its due, but writers such as Manne (2001) and Scott (2001), who see much potential for Labor, demonstrate a much more thorough grasp of the complexities than their right-wing critics. The preference that voters express for a Labor government (when considering the categories mentioned above) makes it clear that the electorate is disposed towards economic and social intervention. Such a disposition can only be further justified if Labor successfully tackles the notion of economic management. For a sustained program of intervention to be coherent and for it to be distinct from the approach of the Coalition, however, the intervention will have to be planned, anticipatory, and egalitarian, rather than ad hoc, opportunistic, and unjust.

It is in such a setting, that is, one in which Labor is attending to the material grievances of its traditional base, that it can take the majority with it on social and post-material issues as well. More importantly, this must be the interpretation favoured by Labor if it is to make any fundamental incursion into the conduct of politics. In fact, it is precisely with a proper understanding of the current political malaise that the ALP could begin to rebuild a sustainable and an authentically Labor project.

References


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14 Not surprisingly, both Beazley and McMullan defended the record of the Hawke and Keating governments. More telling, however, was their reluctance to concede that there was any policy decision made by those governments of which they were ashamed. Most surprising was Beazley’s insistence that there was no small target or minimal difference strategy in recent years. Interviews with the author, 12.3.02.


