

## **LABOR AND POLITICAL PHILOSOPHY by David Havyatt**

In a letter to issue 205 Jim Macken wrote:

*I have formed the view that, irrespective of the number and nature of reforms which the party or the unions undertake, there will be no successful return to Labor government until the party acknowledges and adopts a social and economic philosophy that demarks the party from all the others.*

I suspect that Jim like our editor does not regard the Rudd-Gillard period as a “successful” Labor Government.

Bill Shorten in his address to the *Per Capita* Reform Agenda Series in Melbourne on 22 March edged towards this. He said that he was starting a “major campaign to rebuild the Australian Labor Party and renew our sense of purpose.”

For Shorten for Labor to “build a modern, outward-looking, confident and democratic Australia” the Labor needed to be “a modern, outward-looking, confident and democratic party.”

Unfortunately the bulk of the speech was otherwise dedicated to the structural reforms. He concluded by saying “We will be sharing our ideas with the Australian people – and listening to their ideas. It will be a conversation between equals about the sort of party we want to be.”

It seems to me that Jim has got this right and Shorten has got it wrong.

The party can’t find its purpose by asking the people of Australia at large what they want the Labor party to be. The party needs to know who and what it stands for, and then persuade the people of Australia that this is a cause worth voting for.

### **Part 1 - What happened to the Left?**

“What happened to the Left?” was the title of a NSW Fabians seminar that our Editor participated in. Much of his contribution – titled “What happened to the Left? It died” - appeared in Chapter 2 of *Power Crisis*.

The question is not just a question of what happened to the Left within the party or even just in Australia; it is an important issue for the Left everywhere. While the Greens try to claim the mantle they are, despite all their posturing, a narrowly focused party.

As our Editor also often reminds us, the Menzies government was further left than the Rudd-Gillard-Rudd Government.

I think the very short answer to the question is that the Left won, but having won it then died.

The Left was unprepared for the counter attack, and has been unable to define itself since.

This part will first provide a very broad brush of economic and political history to establish both the victory of the Left, and its demise. In this we are being a little like an archaeologist finding the buried remains of an earlier civilisation, or a palaeontologist exploring the fossil records to explain evolution.

Part 2 of the essay then explores the dimensions of being left. It concludes with an argument that this work needs to precede policy development, it does not occur through policy development.

### **From Lords to Corporations**

The timing and speed of industrialisation across Europe varied from country to country. And the circumstances of the countries where it arrived also varied.

Almost all countries were still governed by a monarchy supported by an aristocracy. The extent to which there was a functioning independent council (or parliament) varied, and the extent to which the church was an institutionalised part of the state varied.

Whether (or how) these variations affected the progress of industrialisation need not concern us here. The effect of industrialisation on economics and politics was uniform to the extent that it created, on average, a lift in material prosperity and that this prosperity created new power centres that challenged the existing political order.

The workers and the business owners both wanted to obtain the benefits of industrialisation, but ultimately they disagreed on how the benefits should be distributed. In what would be the language of Marx, should the workers or the owners be the beneficiaries of the surplus value created.

The political philosophy that supported the case of the capitalists was liberalism, and that of labour was socialism. The progress of each was resisted by the existing power structures, which were appropriately described as conservative.

The three forces developed shifting coalitions, and political systems adapted. It was a common feature for aristocratic rule to implement socialist-like objectives as a way to appease workers. For example, it was Bismarck who introduced the first age pension.

In the 1890s in New South Wales the reformed liberal-free trade group led by George Reid worked with Labor to attack entrenched property, financial and public service interests.

Globally the socialist philosophy diverged from the 1880s into two main strands – revolutionary socialists (of whom Marxists became the dominant strand) and democratic socialists (of whom the Fabians were one).

### **Industry, empire and the Australian settlement**

Meanwhile the progress of industrialisation continued and the liberal capitalists were by the end of the century in control of the State in many countries and threatening to control it in others.

This was the last great era of “globalisation.” However, it was neither as free nor global as modern theorists would claim. Instead globalisation happened primarily within empires – and as the British empire was the largest happened very much within it and with the USA.

Within Australia the anti-socialist forces had effectively kept the socialists at bay through the great Australian settlement of protectionism, restricted migration and the arbitration system.

Two factors then led to the end of this period. The first was the battle between empires themselves, while the second was discordant states within empires seeking to break out. Though, as has been a feature now of the 21<sup>st</sup> century, allies of states seeking to make their own way were often simply trying to bring them under their own sphere of influence.

The war brought an end to many of the empires – except the British and Russian. The latter became the first country to succumb to a socialist revolution.

Economic turmoil in the interwar period kept a great rivalry between socialists, liberals and aristocratic conservatives going. In Australia the latter issue was played out through the question of how closely aligned the new nation should be with the monarchical homeland. The former issue was a rivalry between the ALP and the United Australia Party. The latter became increasingly to be not just the anti-socialist party of its origins, but as the party of big business.

But even in its latter days the parliamentary wing of the UAP was already adopting the principles of what later became known as the welfare state. Menzies great dispute with Earle Page was the former's commitment to national unemployment insurance.

The intervention of the Second World War recast the national debate. Strong central government was particularly effective in co-ordinating the economy and the war effort. However, immediately after the war important questions were raised about how slowly many controls – especially rationing – were lifted.

### **The Post War Era**

The immediate post-war era also saw the creation of a third kind of socialism to join revolutionary and democratic – this was imperial socialism. Communist states were imposed on the countries and territories occupied by the USSR after the war. This more than the still largely unknown horrors occurring inside Russia provided the anti-socialists with their greatest empirical argument.

In this environment Menzies created the Liberal Party. It was a party that was designed as a “broad church”, designed to break the perception of being just a party of business. So Menzies fashioned a philosophy that saw an important role for Government in social welfare, education and economic management – but differentiated himself from Labor by not seeking direct control of everything.

Labor helped Menzies occupy this ground in many ways. The attempt to nationalise the banks gave it a good initial thrust, and the Communist influence in the industrial wing of the Labor movement kept it going. Both John Gorton and Malcolm Fraser made their decided to be active in the Liberal party because they were opposed to totalitarianism in all its guises.

Over this period, however, the theories of John Keynes took hold in management, bureaucratic and liberal circles. Central Government was accepted to have a central role in managing aggregate demand to smooth out the business cycle.

In a slender 1978 volume *The Philosophy of the Australian Liberal Party* D M White compared the Liberal party platform of 1946 and 1976. His conclusion was that the earlier platform accommodated the welfare state, while the latter platform went far further in affirmation of the role of government.

The position of liberals everywhere was much the same. Only a few crazy economists – notably Hayek and Friedman – and wacky libertarians – especially Ayn Rand – were expressing a different ideology.

So, by the 1970s the norm looked more like a left agenda than it had at any other time. In Australia after three rapid years of the Whitlam Government it was possible to say the Left had won.

Very little of the Whitlam reforms were ever clawed back under Fraser. This is sometimes credited to Fraser feeling he lacked “legitimacy” in Government. The reality is that the policies were popular and enduring; it was the style of execution that had failed.

Indeed the success of so much of the Left agenda also saw legislation to protect workers. Strong Occupational Health and Safety laws, for example, require management to actively manage the issue and reduce the role that organised labour plays.

### **The Tide Turns**

But buried deep inside the 1970s was the first seed of the great change that occurred by the end of the century. At the heart of this was a degree of complacency by government economic managers. Centralised management of the economy became routine and unthinking. Government seemed to be always playing a stimulatory role, because more growth was always thought to be better.

The decision by the OPEC cartel to arbitrarily and rapidly reduce supply of oil in 1973 was an unprecedented event. What is technically a “supply shock” of this magnitude was not accounted for in any of the Keynesian prescriptions. The Whitlam Government’s attempts in turn increased inflation and increased unemployment.

As economics is taught today the correct reaction to a supply shock is to reduce government intervention to allow the market to find its own new equilibrium. Thus more market oriented policy started to gain favour. Ultimately the Labor Federal policy in the 1980s was a more sophisticated version of this. The Accord combined with the deregulation of the financial markets was a managed approach to letting the market find its way.

The next big event was the collapse of imperial socialism, and soon after the collapse of the first revolutionary socialist state. Two others, Vietnam and China, had been making great progress with some market reforms.

The response in the West, and particularly Australia, was for parties of the Left – that had never been communist nor even state-ownership favouring socialists – to become even more reticent to promote a “traditional” left cause.

At the same time a new series of “left” causes had developed since the 1970s. These included strident environmentalism and what is disparagingly referred to as identity politics.

Against this uncertain and fragmenting Left of the last forty years, the Right has coalesced around a strong, simple philosophy. This philosophy was summarised by Prime Minister Abbott in an address to the Sydney Institute in April 2014, when he said "Every time a government spends people’s money for them, it limits their own

freedom; hence the famous dictum that government should do what the people cannot do for themselves, and no more."

This is a very precise description of the very narrow role of government accepted by the modern Right. Expanded this becomes a very pro-business agenda, because it is in effect saying that everything that can be done by business should be.

The philosophy is so strong and clear that every commentator on the Right sticks to the same script. *The Australian's* Economics Writer Adam Creighton went so far as to say Government's role should only extend to providing the economically defined "public goods" – those that are effectively non-excludable and non-exhaustive, of which national defence is the classic example.

What purports to be the Left argues as if the case for the role of Government in managing the economy, the principle of social justice and the concept of the welfare state are still common accepted ground. They are not.

### **The need for change**

The bulk of the twentieth century in Australian politics was dominated by a well organised, motivated party of the Left. Against it was a series of parties that were primarily built around the principle of being opposed to the Left.

While change started in the 1970s, from 1990 on Australian politics has been dominated by a free market, small government and individualistic philosophy. Against it the Left has been a movement more defined by its opposition to neoliberalism than by any unifying theme.

The Left had won quite dramatically until the disruption of the 70s. The end of what Niall Ferguson calls The Long War from 1914 to 1990 between totalitarianism and democracy provided an opportunity for the Right to reclaim the ascendancy.

Most of the original Left achievement is still in place. While the Abbott led Coalition gives a good impression of having won Government without a plan, they have a very real plan.

In response to a question without notice (a dixer) on 27 February Prime Minister Abbott laid out his agenda in detail.

*As this government understands in the marrow of its bones, it is not government that creates jobs; it is profitable businesses that create jobs. It is not government that creates wealth; it is profitable businesses that create wealth. Government's job is to make it easier for those businesses to flourish.*

He went on to detail that the plan for business to flourish consisted of repealing the mining and carbon tax, red tape reduction and ensuring the rule of law applies in workplaces through restoring the Australian Building and Construction Commission. He then claimed that through this approach "We will create a million new jobs within five years."

Business is the only thing that matters to him - the Government's job is to support business only.

It is not a conservative plan; it is not a historical liberal plan. It is a reactionary plan through being overtly elitist in putting business at the centre of the economy. But it is otherwise a radical plan that values the interest of capital only.

It is time for the Left to fight back.

## **Part 2 - Labor values**

Our editor refers to Labor as “the Brand,” because he cannot discern in it anything resembling a political party.

It is unfortunately not even a brand.

In modern marketing a brand is not just a logo and a communication style guide. A brand is required to express “brand values” that are an expression of what the company wants potential consumers to think it stands for.

These can be often broken down into a few short phrases – or even a small number of words. A related concept is the “elevator pitch” – what you could say to someone in as short a period as an elevator ride to win them to your cause.

Many people in the party will make a reference to their support for “Labor Values”. Most people will run off a few things that they think they stand for. A search through leaders’ speeches throws up many ideas – but no unifying concept of values.

In a 2011 speech to the Chifley Research Centre Gillard addressed the direct question of Labor values. Her main themes were that Labor stood for “opportunity for all” and “not leaving anyone behind.”

She went on to respond to commentators that she claimed had “predicted that social democracy had passed its use by date; that Labor’s notions of collective action, solidarity, unionism, are incompatible with today’s individualism. She then stated that the tradition of unionism and collective action gave birth to the party and were “our foundation stone.”

When Gillard addressed the AWU conference in February 2013 she took a slightly different approach. She said she came to the gathering as the Labor leader, not the leader of the progressive party, not the leader of a moderate party, not even the leader of a socialist democratic party. She said “I’m a leader of the party called the Labor Party deliberately because that is what we come from. That is what we believe in and that is who we are.”

At *The Monthly’s* celebrations for its second anniversary in 2007 Kevin Rudd said our side of politics has sought to find a “middle way”. He claimed that “Labor has always been a progressive party of the centre with a keen eye on the challenges of the future.”

In his valedictory speech to Parliament in 2013 he restated the claim that Labor must continue to be “the party of the reforming, progressive centre of Australian politics: the party of the future economy, of social equity and of environmental sustainability.”

Referring to Labor as a “progressive party” is also the preferred approach of people as divergent as Anthony Albanese and Tim Watts.

The latest leader, Bill Shorten, in his address at the Per Capita Reform Agenda Series in 2013, said that the great and powerful ideas that define our nation are most often very simple. As an example he said “Ideas like forming the Australian Labor Party one hundred and twenty-two years ago, and of course our two great guiding principles, democracy for all, and a fair go for all.”

At the National Press Club in 2014 Shorten said:

*I'm here today as the Leader of a party that believes in economic growth. Labor knows that economic growth creates jobs – we know it raises living standards.*

*We believe in migration. We believe in multiculturalism. We believe that, for the most part, unions do a good and important job.*

*We believe in making choices that add value – that empower Australians to fulfil their potential. We believe in ideas – not in hate and division.*

*We don't believe making a profit is a bad thing. We don't see employers as a class enemy.*

*We believe in using a strong economy to build a fair society – and to raise living standards.*

*This is the Labor story. This is the story of Australia. Delivering prosperity with fairness.*

In all his speeches Shorten has said we want Labor to be the party of new ideas, and new policies.

He is right – Labor needs new policies. But before developing policies Labor needs a clear articulation of what it stands for, not just what it thinks the electorate wants to hear. Labor needs to be prepared to persuade people, and neither assume that they share Labor's values nor that Labor reflects theirs.

Shorten in an April 2014 speech to Per Capita did reflect on the need to review Labor's Enduring Values as part of the review of the party platform. He said of the review of the National Platform for the 2015 National Conference:

*Everyone needs to have a say in this process – and we should start with Chapter One. Chapter One contains Labor's enduring values.*

*We need a new Chapter One, a democratically-drafted statement that captures what modern Labor stands for.*

*I know we are a big party with a diversity of deeply-held views. And we are right to be passionate when debating the policy solutions for the challenges that Australia faces. ... We must be united in our sense of purpose.*

But every chapter of the platform has its own section on Labor Values. All up, if you extract chapter one and these sections you wind up with 29 pages of the Platform.

It should be noted that the NSW ALP website has a more concise version, it starts:

*Being part of NSW Labor means that you are part of a movement that is dedicated to keeping Australia fair. Sharing our commitment to Labor values means working together to make sure that the benefits of rising prosperity are shared fairly and underwrite a better and fairer future for the next generation.*

*Prosperity starts with good jobs and services and Labor has fought for more than a hundred years to ensure everyone can get a job, and that the essential health and education services are accessible.*

But is the party really just about fairness? Do our opponents actually say anything different?

### **Political dimensions**

There is no doubt that Labor sees itself as a “left” or “centre-left” party. Even people like Graham Richardson who argue Labor is at its best when it governs from the centre would accept that Labor approaches the centre from the left.

The left/right nomenclature in politics has a long history, but very little agreement about what it actually means. The issue is further compounded by desires of some to create a two-dimensional matrix. Hans Eysenck was otherwise a highly discredited psychologist, but his political plane of left/right and authoritarian/libertarian was heavily used. More recently the ABC Vote compass used two dimensions of economic left/right and social liberalism/conservatism.

Both these two-dimensional constructs mask a much broader array of dimensions, all of which can fit a left/right terminology. These include labour/capital, equality/elitism, collective/individual, statist/libertarian and progressive/conservative.

For Labor to express its values it needs to be clear about what it is saying in each of these dimensions. It is also important to understand how each has changed over time.

The first dimension to consider is the one that came first in the unfolding industrialised world – the battle between **equality and elitism**. The world order of the agrarian state was built around various constructions of monarchy and aristocracy. By geography the relative power of the monarch (or emperor) to the aristocrats varied, as did the extent to which the church was a part of that institutionalised hierarchy. The industrialised world created a challenge to that – and both the factory owners and their workers had common cause in seeking to replace the elite with more democratic forms.

Just as the structure of the elite varied by geography, so too did the form of equality sought and the dimensions of democracy. But in its initial stages an attack on the existing elites was a common cause.

It was not only those who benefitted from the existing power structure directly that defended them. For one of the skills of the elite is to convince those they rule that they are better off through the attention of the elite. Italian economist and political theorist Vilfredo Pareto’s theory of the circulation of elites is in part based upon this observation.

Today the elite is a different group altogether, being fundamentally those who benefit most from capitalist society. The distinction between elites and equality is not helped by the Right's appropriation of the word "elite" and the attempt to label those in the academy and various Governmental institutions as the "elite" (as in, for example, David Flint's *The Twilight of the Elite*.)

The equality dimension is also muddled by the way the Right tries to position itself as being in favour of equality. However, that concept is more an equality of the right to exploit one's advantages, rather than an equality of rights, opportunity or outcome.

Historically, the next division on the left/right axis is that between **labour and capital**. As industrialisation gained impact, as nations evolved to become capitalist market economies, the interests of capital became the elite and the tension emerged about how the benefits of industrialisation should be distributed.

The complete extremes of this dimension are between a fully socialist state and a capitalist state. This is the period of the formation of the world's great social democratic and labour parties. It is also the period of the creation of the revolutionary socialist parties.

Within the frame of a capitalist market economy, it is the Left that seeks to represent the interests of working men and women – or that other phrase from the recent political past "working families." This has in more recent time been framed by the Right as an attempt to create a class war. Perhaps it is, but it is actually a class war in which the vast majority of the population really are "workers"- people who earn their income from a wage or salary.

For much of the latter part of the twentieth century there was a degree of consensus that the outcome needed to be "fair." This was, in part, based on the realisation of the capitalists that the workers were also the consumers and that by providing the workers with a greater share of current profit the rate of overall economic growth accelerated.

This consensus was always put under stress in times of economic crisis. In particular the need to allow economies to rebalance production in the light of the OPEC oil crisis in the 1970s was frequently framed as a simple attack on wages. In practice wage and conditions negotiations were more usefully about the need to restructure many industries.

The history of both the fight for equality and the fight to represent the interests of labour developed a further dimension of the Left. This was a cultural acceptance of the **value of collective action**. Be that the collective action of French and American revolutionaries, or the formation of the trade unions, collective action was embraced as the way to combine to confront entrenched power.

This filtered through into the formal political sphere. While in Australia the various elite political factions started to coalesce into "parties" it was the party of the Left, the ALP, that first developed a standing extra-parliamentary organisation. It was also the party of the Left that horrified all others by requiring representatives to pledge to support the party position as agreed in caucus, the political formalisation of collective action.

This voluntary collective action is not the same as support of the state. Its opposite, a strong belief in personal independence, becomes structured as a philosophical position that people need to learn to look out for themselves. Opponents of collective action describe the action as an unfair contest – as a group of people ganging up on someone who is doing the “right thing” and standing up for themselves.

As a consequence anti-union sentiment is often described as being about the impact of union power on the small businessman. This was used to great effect in the case of unfair dismissal laws – always being framed as their effect on small business.

Similarly, the idea of union closed shops is positioned as the union representing weak workers and constraining the ability of a worker who wants to look after his own interests from doing so. This is sold as being a restraint on the worker being able to do well for him or herself.

Recognition of the value of collective action is why the Left supports the value of the coercive powers of a democratic state. This **statist position is contrasted with a libertarian position** that sees a minimal role for the state. These positions have their corollaries in economics, the planned economy model versus the totally free market model. But they also have their corollaries in social legislation; should the state interfere in how a parent raises a child or not.

Finally, as an attempt to seek a single integrated view the left/right distinction is often framed in the language of **progressive versus conservative**. Indeed, there are many outside Labor who argue the party needs to become a “modern progressive party” rather than a traditional Labor party. There are some inside the party who habitually refer to it as a progressive party, on the assumption that the Right are conservatives.

There are many difficulties with this model. George Lakoff in *Don't Think of an Elephant* identifies six basic types of progressives, being:

1. Socioeconomic progressives who think in terms of economic equality;
2. Identity politics progressives who focus on the rights of one or more oppressed groups;
3. Environmentalists who focus on sustainability;
4. Civil liberty progressives who want to maintain freedoms;
5. Spiritual progressives who share a caring nurturant form of religion; and
6. Antiauthoritarians who want to fight against illegitimate forms of authority like big corporations.

Lakoff argues that these different types of progressives don't recognise that they ultimately share a set of common progressive values - in which he lists freedom, opportunity and prosperity, fairness, openness, community-building and trust. As a consequence progressives are easily fragmented.

He also argues that conservatives frame their positions more consistently as a “father protector” model. This is really an argument that says that the masses should trust the elite; because the elite know best. This is nowhere better seen than the view that

business should be afforded a special position in policy discussion, because they create jobs and drive the economy.

There is a further difficulty in that the modern Right favours a system of government that is more minimalist and provides a greater role for large corporations than any system that has previously applied anywhere. On this basis they are neither conservative nor reactionary, they are a radical party of the new neoliberal Right.

### **A Political Philosophy for Labor**

In *The Philosophy of the Australian Liberal Party* D M White posed the question “Why does a party need a philosophy?”

He stated “A party which was obsessed with philosophy alone would obviously be ineffective. But a party without a reasonably comprehensive and consistent political philosophy will be rootless, and at the mercy of circumstances.”

White draws a clear distinction between political philosophy and ideology. He defines the former as “a systematic set of basic ideas which make sense of the human world.” They are concerned with “human nature, human relationships, social and political organisation, the dynamics of change, and the kind of life which befits human beings.” Political philosophies are abstract, which marks them off from policies and programs which deal with the specific aims and courses of action.

Ideologies are not abstract, they are simply “universalized programs” – comprehensive sets of political plans to be applied to societies regardless of their characteristics.

A political philosophy will be analytical, explanatory and evaluative. An ideology is merely prescriptive.

The absence of a political philosophy or concise set of values for Labor explains how it is possible that policy can be a shifting dune shaped by the winds of opinion polls. It can even explain how the political class is a group that excels in crafting messages but has no story to tell.

You need to have a political philosophy before you develop policies.

Ultimately the genius of Liberal pollster Mark Textor is that he uses his research to craft the message in language that will persuade. He does not use it to argue what policies the Liberals should pursue.

Whether Labor needs to jettison the historic “socialist objective” or call itself a “social liberal” party as favoured by some is a secondary question to what the political philosophy of the party is. The political philosophy should be an analytical framework against which policies else can be evaluated, and in the terms of which they can be explained.

So based on the various dimensions of the left/right distinction, a richer more encompassing philosophy can be developed. It goes something like this:

*The ALP seeks to represent the interests of people who make their income by what they do, not what they own.*

*The ALP believes that we are all created equal, with an equal right to be able to choose our own future and an equal right to be protected from illegitimate forms of authority.*

*The ALP believes Government has a central role in providing national security, personal security, economic security and social security.*

*The ALP believes that as people we are better when we work together co-operatively and will actively support all collective action, including the collective action of nations.*

*The ALP believes that economic and social progress provides the opportunity for greater prosperity and greater fairness in our society. Consequently, Labor embraces change and seeks to harness its benefits for the greatest good.*

This is a start, not a conclusion. It is also only the high level of the philosophy that needs to be matched with other analytic tools in economics, in international affairs and in social policy to start formulating a high level program.

But one final note. Labor is a progressive party. As a consequence Labor cannot ever consider that it will win Government through a “small target” strategy. Labor wins by having a program – a program that is represented by a few headline ideas. These have been universal health care in 1972, reconciliation and recovery in 1983, action on climate change, broadband and fair workplaces in 2007.

Each of these policy positions flow logically from the philosophy laid out above.

## **Conclusion**

The challenge that Bill Shorten has set for National Conference is not an easy one.

The first temptation will be to try to encompass every proposition that has ever dawned on a party member and throw it into the mix. The second will be to make it an anodyne statement about equality and fairness.

The test of success is whether the statement of values or philosophy works as an analytical device to assess policy, in particular the hard policy choices. These include the questions of the balance between environmentalism and economic growth, the appropriate relationship with unions and business, the role of government and the private sector in the economy, how government revenue can be raised to ensure individual security.