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TITLE: Is Labor near extinction?

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The ALP's factional problems, in the view of Clive Hamilton, are signs of a fatal malaise.

Can Labor reinvent itself as a social democratic party, or as a party with a progressive political stance that distinguishes it in a substantive way from the conservatives? Its recent history provides a few signs that it may be able to do so. Among the thinkers in the party there is an incipient recognition that the old model can no longer serve the interests of the party or the nation.

Soon after Mark Latham was elected leader in February 2004, he gave a speech at the National Press Club. The media reported him as calling for more male mentoring, but this was only mentioned in passing in the speech.

A bigger theme, which was almost completely ignored, was Latham's acknowledgment that giving priority to the economy will not necessarily make Australians any happier. Declaring that there is more to life than money, he emphasised the importance of strong relationships to our wellbeing and acknowledged the desire of most Australians for something more meaningful than a pay rise and a bigger house.

The speech signalled his growing doubts, yet he soon returned to his themes of aspirational politics and the ladder of opportunity that dominated the election campaign in October 2004. But by the time he wrote *The Latham Diaries*, which for its searing insights will in my view become one of the most important documents of modern Australian politics, his view of Australian society appeared to have shifted.

Traditionally, he wrote, left-of-centre parties have tried to achieve their goals for social justice by tackling various forms of economic disadvantage. Today, however, the biggest problems in society tend to be relationship-based social issues, not economic ones.

The paradox is stunning: we live in a nation with record levels of financial growth and prosperity, yet also with record levels of discontent and public angst.

In his introduction to the *Diaries*, Latham made the striking admission that his stress on aspirational politics had been a mistake. He had since come to understand that aspirational voters turn into selfish mortgagees preoccupied with their own financial circumstances and with little concern for their communities.

People live in highly geared McMansions, on \$60,000 to \$70,000, with a couple of kids at a non-government school, and they say to the politicians: "I'm the real battler, help me." Similar views have been expressed in recent years by a number of other senior Labor figures. In a 2002 *Quarterly Essay, Beyond Belief*, former Hawke-Keating minister John Button restated the traditional deprivation model of social democracy but also expressed doubts about the aspirational voter.

He wrote that these are people who are desperate to get ahead, with big mortgages, kids at private schools and four-wheel-drives, all paid for by two parents working excessive hours. There is little point accumulating more and more wealth and enjoying it less, he opined. Yet his discussion of signposts to the future carried little conviction that the Labor Party could renew itself.

In his 2003 book *Crowded Lives*, Lindsay Tanner, the current shadow minister for finance, took up the same theme of affluence fatigue. We're on a treadmill that's imperceptibly gaining speed. To buy all these things that save time we have to work more. We've created a vicious circle of time consumption, where the cost is borne by our relationships. More recently, leadership contender Julia Gillard has spoken of the ailments of affluence, suggesting that there exists a yearning for social solidarity.

When there is a quiet but emerging debate about the limits of commodity fetishism as a source for happiness, something's going on.

When there is a small but clear movement of people to downshifting, something's going on. When evangelical churches that provide a whole-of-lifestyle engagement with others are growing rapidly, something's going on. This yearning for connection should not be underestimated as a powerful political force for change.

These are tentative steps towards a new political debate, taken by thinkers from the Left and Right of the Labor Party. Tempting though it is, however, it would be a mistake to read too much into them. None of these thinkers has nailed their colours to the mast, advanced an alternative vision and forced the party to engage in a new debate.

It may be that the Labor Party is now structurally incapable of accommodating a wide-ranging and radical debate. The new theme, beginning to be developed by the Labor figures I have mentioned, has not even drawn criticism; it has simply been ignored as irrelevant to real politics.

This dismissiveness can in part be attributed to the anti-intellectualism of the Australian media, and especially the parliamentary press gallery, the herd mentality of which makes fools of otherwise intelligent people.

Labor Party factions once served as a means of organising to promote ideas that were held passionately by their members. As Mark Latham describes to devastating effect in his *Diaries*, these factions now divide only notionally along ideological lines. They have become vehicles for ambition and mutual support. If a contest of ideas cannot be carried out through the factions, where in the party can it occur? Perhaps the federal parliamentary caucus should be reorganised to create an Ideas faction that could then engage in a war for the party's soul with the Opportunist, Careerist and Deadwood factions, conservatives one and all, who would resist change to the last.

ANOTHER entrenched faction that would need to be defeated is that of the party machine itself, which has in recent years been the object of severe criticism from senior party members, including Barry Jones, John Faulkner, John Button and Carmen Lawrence.

In a party divided into hardened factions and sub-factions whose principal purpose is to promote the ambitions of their members, leadership contenders are required to feign an interest in policy ideas and social change, sometimes by writing a book to demonstrate their credentials. Of course, the capacity to put ideas into the public realm is severely constrained because every MP has been drilled on the damage that any perception of disunity can do. Having an idea that can be construed by the media as being contrary to party policy is a dangerous thing in the modern Labor Party.

In his *Diaries*, Latham describes the suffocating impact of the factional system. What he writes has been confirmed by many others with detailed knowledge of how the party operates. There is one glaring anomaly in the overall argument of Latham's book, however, and it demands an explanation.

The party that he so sharply condemns is the same one that elected him as leader. It is possible that Latham stood out as a potential leader because of the flatness of the surrounding countryside; yet everyone knew that he was a high-risk choice. His election revealed a hidden aspect of the Labor Party that has received little attention.

Despite the oppressiveness of the factional system, it seems there are enough members of the parliamentary party willing to buck the factional bosses if the circumstances are right. The attraction of Latham, sufficient to persuade a majority of caucus members to overcome their fears, was that he presented as a man of bold ideas. Support for the specific ideas Latham had articulated throughout his parliamentary career was limited; much of his Third Way analysis was unpersuasive and some of the policy ideas garnered little support. But he was the man with ideas.

The Latham election indicated that there is a subterranean recognition, even within the parliamentary Labor Party, that the old social democratic model is no longer tenable, and yet neither is the strategy of emulating the Liberal Party. The willingness of Labor's caucus to elect Latham as party leader was perhaps the only sign of hope for the future of the ALP as a party of social reform. His demise, due at least in part to the conservatism and control of the factional bosses, has meant a retreat to the reactionary politics embodied in the figure of Kim Beazley.

Yet there is an air of unreality about the debate over factionalism. The problem is characterised as a purely institutional one. The debate is wholly inward-looking, as if the problem lies solely with a handful of power-hungry factional bosses who, through organisational cunning, have managed to capture the party. The structural problems of the party are rarely debated in historical terms, so no one asks what has been happening in Australian society that has allowed the ALP to be transformed from a party built around a powerful set of values and social goals into one dominated by personal fiefdoms.

The problems of the party structure are manifestations of a wider malaise — ideological convergence, individualisation in society, the withdrawal from politics and the withering away of solidarity. The party that evolved to represent the interests of trade unionists

and their families cannot survive in a world where union membership has shrunk to less than a quarter of the workforce and where those who remain have been depoliticised.

THE Labor Party has served its historical purpose and will wither and die as the progressive force of Australian politics. There is no better sign of this than the mostly vacuous series of papers analysing Labor's 2004 election defeat published by the worthy but anachronistic Fabian Society. None of the contributors, with the exception of Guy Rundle, had anything sharp or new to say. Evan Thornley wrote about our people not trusting us, as if there were a mass of people out there yearning for the Labor Party of old, yet called for a new brand for the party.

Bill Shorten, the union leader with politics somewhere to the right of "Chopper" Read, argued that Labor must now move to the centre! That would be a move to the left. He roundly rejected any severing of the connection between the ALP and the unions, and called for tax cuts for high-income earners and businesses.

Judith Brett bemoaned the inward focus of ALP luminaries, then concluded that the way forward is to change the rules for preselecting candidates. John Button, the elder statesman, at least spared the reader nostalgic references to that greatest of Labor cliches, the light on the hill. Although his diagnosis of the problem is very acute, the answer to Labor's malaise is not that given by Latham in a lecture to Melbourne University students in September last year. The system is fundamentally sick and broken, he said, and there are other more productive and satisfying ways in which you can contribute to society. A withdrawal from organised politics altogether can only leave the main stage to the conservatives. Others see the need to build a progressive alternative to the Labor Party. Still others have joined the Greens, but as a third force aspiring to become the second force of Australian politics, the Greens are hamstrung by a limited ability to appeal to a wider audience, the inevitable departure of Bob Brown and the large number of activists who are emotionally and ideologically wedded to fringe politics and who work against the broadening of the Greens' appeal.

Yet as the past decade of conservative rule has reminded us so painfully, an effective, electable progressive party is vital to the promotion of social progress and the protection of Australian democracy. All of this points inescapably to the need for a new political party founded on a philosophy and an organisation that reflect the contemporary world.

This is an edited extract from *Quarterly Essay 21, What's Left?: The Death of Social Democracy*, by Clive Hamilton (\$14.95, Black Inc.), to be published on Monday. Hamilton is executive director of the Australia Institute, an independent think tank based at the Australian National University.