

In the aftermath of the federal elections

Mounting political instability in Australia

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The outcome of the federal elections, held on October 3, provides further evidence of mounting instability in Australian politics. While the Howard Liberal-National Party government has been returned to office, its majority has been slashed from 44 seats to just 12. Counting in a number of closely-contested seats has revealed that if just 3,400 more votes had gone to Labor, the Liberals would have been defeated, becoming the first administration since Scullin's Labor government in 1931 to lose office after just one three-year term.

Virtually none of the swing against the Liberals benefitted Labor. Their vote remained at a near all-time low of 40.8 percent, up just marginally from the Labor Party's disastrous defeat in the 1996 elections, when hundreds of thousands of workers vented their anger at its 13 years of attacks on jobs and conditions. The major beneficiary was the extreme right wing party, Pauline Hanson's One Nation, which won around 8 percent of the vote nationally--some 1.2 million votes.

In the three weeks since the poll, a number of statistics have come to light revealing the extent of popular disgust towards the electoral process as a whole. In a country where voting is compulsory, nearly one million registered voters defied prosecution and abstained. Another 407,398 voted informally--i.e. while satisfying legal voting requirements, they spoiled their ballot papers. Moreover, 1.4 million adults were not enrolled--many of whom are eligible voters. Thus, out of an adult population of about 13.5 million, some 21 per cent failed to participate. This was the lowest voter turnout since compulsory voting was introduced in 1924.

Howard's election campaign centred on advocating a new, highly regressive, consumption tax or GST, along with a raft of other anti-working class policies, including further privatisation of Telstra--the national telecommunications giant-- extension of work-for-the-dole, and acceleration of 'labor market reform', a euphemism for the destruction of full-time jobs and working conditions. As the Liberals claimed, the election took the form of a plebiscite on these policies.

In its immediate aftermath, Howard claimed that his victory signified that the government had been given a 'mandate' to implement them. But the voting statistics speak otherwise. Not only did the Liberals attract the lowest primary vote since the Liberal Party was established in 1944 of just 39 percent, but when the non-participants are factored in, it turns out that the government won the support of just 30 per cent of the adult population. In other words, 70 per cent registered their opposition, in one way or another, to its policies.

These voting patterns underscore the crisis of Howard's new administration. On the one hand, the vast majority of the population have demonstrated that they are deeply hostile to the Liberals' agenda and profoundly disillusioned with both major parties. On the other, the major corporations and banks--and their spokesmen in the media--are

demanding that the government carry out a far more ruthless program in its second term than it did in its first.

Howard called the election--some five months before it was due--because of the increasingly insistent demands from the ruling elite that he stop procrastinating and get it out of the way before the gathering storm clouds of the global financial crisis burst over the Australian economy.

Now concerns are being expressed that the government is not up to the task. An editorial in Murdoch's *Australian*, for example, lambasted the minor changes Howard made to his ministry: 'Howard's new team lacks heart for the job' read the headline. 'Indeed the new team appears to be a mishmash of obeisance to internal Liberal Party loyalties', the editorial declared, criticising Howard for not having 'the ticker to make the changes that would have stamped this as a 'new' Prime Minister's Cabinet.

Criticisms have also been raised in ruling circles that Howard's judgement has been dangerously askew in his handling of the rise of One Nation. In trying to curry favour with Pauline Hanson's constituency--sections of the rural population facing financial ruin and the destruction of rural services, small businesspeople losing out in the struggle for 'international competitiveness', layers of urban workers disgusted with both Labor's betrayals and the Liberals attacks, and seeking to register a protest--Howard threatened to undermine the interests of the government's primary constituency, namely big business. His well-publicised opposition to 'reconciliation' with the Aboriginal population, for example, flew in the face of the interests of the major mining companies who supported a deal being stitched up, under the auspices of the Wik legislation, to allow negotiations to proceed with Aborigines over land title. Likewise, his ambivalence over racism threatened Australian investments in Asia.

Moreover, Howard's positions have alienated the purveyors of multiculturalism, black nationalism and identity politics--an entire layer of ethnic and Aboriginal entrepreneurs and community leaders who were carefully cultivated by the Hawke and Keating Labor governments. Under Labor they played a crucial role in blocking any opposition, based on the independent interests of the working class as a whole, to the government's economic and social agenda.

More fundamentally, Howard's attempt to woo Hansen's supporters saw him lurch ominously towards the politics of protectionism and national regulation--anathema to the most powerful sections of the bourgeoisie and their demands for a globally competitive economy.

In an effort to assuage his critics, Howard has taken great pains to characterise his new government--and himself personally--as 'different'. In an interview with ABC television on October 15, he declared '... the challenges this time are different. The circumstances are different. I feel different ... I bring as re-elected Prime Minister a

different psychological caste...' He has begun to moderate his former attack on the so-called 'black armband theory of history' (historical accounts that deal with the genocide carried out against the Aboriginal population), embrace a 'harmonious' transition towards a republic (he has previously been a staunch defender of the monarchy) and pledge his 'genuine commitment to reconciliation'.

The reasons for this apparent reversion to the 'vision' politics of the Keating era are two-fold--firstly, to send a message to the corporate elite that their criticisms have been taken on board, and secondly to direct public discussion and debate towards these issues, while the government proceeds to implement its anti-working class agenda.

That agenda amounts to nothing less than the dismantling of what remains of the post-war welfare state. The GST comprises only a small part of the equation. It is bound up with the demand that taxes be shifted away from business and the wealthy, and onto the backs of ordinary working people. But the scenario also includes the abolition of minimum wages, the replacement of government funding of public education and health with privatisation through a voucher system, the destruction of public aged care, the further replacement of full-time, permanent jobs with part-time, low-paid casual work and the abolition of any working conditions which impede profit-making.

While none of this rated a mention in the course of the election campaign, it is now being openly canvassed in academic circles and throughout the media. Splashed across front pages over the past days have been reports of a letter, sent by five leading economists to Howard, proposing a more 'market-based wages system' to be achieved through a four-year wage freeze--described by the *Australian* as 'a deep real wage cut.' Last Monday the *Financial Review*, the mouthpiece of big business, ran an editorial entitled 'Decision time on aged care' calling for Howard to halt his retreat on charging massive up-front fees for nursing home care. Two weeks ago a paper delivered to the Australian Council of Education Research conference in Melbourne advocated the merging of public and private education and the imposition of fees on all parents, and discussion is underway on a voucher system for health care to replace the provision of free public health.

Uncharted waters

Underpinning these developments is the growing threat of recession. Up until a week after the elections, Howard was still arguing that there was no danger of world recession, that Australia's 'fundamentals' would see it ride out the economic crisis and that the problems being experienced in Asia were a temporary phenomenon. But by last week, he was addressing a forum of bankers in Sydney, warning of a return to the conditions of the Great Depression of the 1930s, and calling for some means to regulate international capital flows. It will not be long before he announces a major reassessment of 'economic imperatives', necessitating a rapid escalation of the government's offensive against the working class.

For its part, the Labor Party has been embroiled in internal wrangling since the election, centred on recriminations over its failure to win any appreciable increase in its vote. Two prominent Laborites have elected to quit the front benches. Former deputy leader Gareth Evans has taken to the backbenches as a precursor to quitting politics, while Mark Latham, the former shadow minister for education, is biding his time, preparing for a future leadership challenge. With the open support of significant sections of the bourgeoisie and the media, who have accused the present Labor leadership of a 'policy deficit', he advocates shifting the party to a Blairite 'Third Way' program, as outlined in his recent book *'Civilising Global Capital'*.

But Howard, the Liberal government, the Laborites and the ruling class as a whole are entering uncharted waters. From one side, the bourgeoisie are demanding policies that will plunge ever-larger sections of the population into unemployment, economic insecurity and real poverty. On the other, they face masses of ordinary people already seething with resentment. Frictions, tensions and conflicts dominate the internal life of all the capitalist parties, as their social base dwindles. For the majority of ordinary people, their old political loyalties have broken down irrevocably, leaving a yawning political vacuum.

The possibility that this will be filled by the extreme right wing cannot be ignored. In this election, hostility to the Liberal and National Parties saw no lessening of the disillusionment felt towards the Labor Party. The legacy of its 13 years in office and its betrayals of the aspirations of ordinary working people were revealed in the growing support for One Nation. All the loud protestations by the majority of media pundits that One Nation is a spent force constitute an attempt to sow dangerous illusions. Its efforts at making immigrants, Aborigines and the most vulnerable sections of the working class scapegoats for the crisis of the profit system will continue to attract support to the extent that the working class fails to intervene, on the basis of its own independent class interests, and advance a progressive, socialist alternative.

What the election process also revealed, however, through the support won for the Socialist Equality Party's campaign was a small, but significant layer of workers and especially young people who are beginning to question the nostrums and ideology of the 'free market', and, having rejected the policies of Labor and Liberal, are searching for a movement that addresses the real political, economic and social issues confronting millions of people in Australia and around the world and that fights for genuine social equality.

See Also:

Narrow result in Australian election

Vote for two traditional parties falls to new low

[6 October 1998]

The Political Economy of 'New Labor':

A review by Nick Beams of Mark Latham's book: *'Civilising Global Capital'*

[27 June 1998]



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