

The economic and political crisis in Australia and the building of the SEP

2 September 2011

Socialist Equality Party (SEP) conferences on “The Failure of Capitalism and the Fight for Socialism Today” were held in Sydney and Melbourne over the past two weekends. They discussed the new stage in the breakdown of global capitalism, and the fight for a socialist and internationalist perspective for the working class to answer the intensifying assault on jobs, living standards and basic democratic rights.

Below we publish the second of three resolutions that were discussed and adopted unanimously at the two conferences. The first was published yesterday and the third was also published today.

The economic and political crisis in Australia and the building of the Socialist Equality Party

1. Since coming to office nearly four years ago, the Rudd-Gillard governments have functioned as the ruthless representatives of big business and finance capital. Now, amid the worst global crisis of the capitalist system since the 1930s, the Labor government is orchestrating a far-reaching restructuring of Australian capitalism, involving a systematic assault on the living standards of working people.

2. Between 1983 and 1996, the Hawke-Keating Labor governments, in league with the trade unions, advanced a pro-business program aimed at integrating the Australian economy more closely into the world capitalist market. Mass job losses, the closure of entire sections of manufacturing industry and the wholesale elimination of working conditions and basic rights followed. Central to this process was the destruction of workers’ organisations with any even limited independence, including shop floor committees and other workplace bodies. The end result was historic levels of social inequality, as wealth was transferred from working people to the richest layers of society.

3. In 2007, Labor returned to office after capitalising on the enormous hostility felt by millions towards John Howard’s conservative government. Yet on every score a virtually seamless policy transition marked Kevin Rudd’s record as prime minister—including continued support for US-led wars in

the Middle East and Central Asia, the maintenance of all the essential provisions of WorkChoices within the Fair Work Australia industrial regime, ongoing inaction on climate change, the continuation of the Northern Territory intervention and the retention of brutal “border protection” policies targeting refugees.

4. The global capitalist breakdown that began in the 2008 financial crash brought sharp changes in the political landscape. After initially throwing their support behind Rudd’s stimulus package measures in 2009—Murdoch’s newspaper the *Australian* had named him “Australian of the Year”—key sections of the corporate, financial and media elites began to demand a program of spending cuts and debt reduction in line with the turn to austerity measures internationally.

5. At the same time, the coming to power of the Obama administration, and its “refocus on the Asia Pacific” targeted against the rise of China, brought stepped up pressure from Washington for an Australian government unconditionally committed to the maintenance of US military and strategic dominance in East Asia and the Pacific Ocean.

6. These financial and geo-political shifts found their expression in the coup against Rudd of June 23-24, 2010, which saw his removal as prime minister and replacement by Julia Gillard. The anti-democratic conspiracy, carried out by a cabal of Labor Party apparatchiks and trade union bureaucrats behind the backs of the Australian population not only revealed the worm-eaten character of the Labor Party, but the decay of parliamentary democracy itself and the turn to more authoritarian forms of rule.

7. From day one, Gillard made clear the Labor government’s new agenda: unconditional support for US militarism, accommodation to the demands of finance and big business, above all the major mining companies, and the launching of a new wave of privatisation and attacks on social spending aimed at lowering the social position of the working class. In a major speech, she paid homage to the restructuring of the Hawke-Keating governments and explained that her government would target those sectors “that were relatively untouched by [their]

reforms”—including hospitals, aged care facilities, childcare centres and schools.

8. The growing crisis of parliamentary rule found further expression in the 2010 federal election. Far from bolstering Labor’s electoral position, Gillard failed to win a majority, primarily due to mass hostility towards her role in the coup, leading to the first hung parliament and minority government in 70 years. Notwithstanding overwhelming opposition to its policies, the minority Labor government has carried out every demand of both US imperialism and corporate Australia, relying totally on support from the Greens.

9. Gillard’s key initiative of a carbon tax is aimed, not at alleviating climate change, but at positioning Australian financial and corporate interests to take advantage of new international markets in carbon credits. As with every other policy of the Gillard government, the working class will be forced to bear the cost.

10. The end of the phony global economic “recovery” of the past two years, and the eruption of new financial turmoil, coupled with deepening recessionary tendencies produced by the “China boom” in all non-mining sectors of the economy, have once again exposed the myth of “Australian exceptionalism”.

11. New demands for greater productivity—cuts to jobs, wages and conditions—are now being publicly aired as major corporations, including Qantas, Westpac, OneSteel and BlueScope, announce their restructuring agendas, involving the axing of thousands of jobs. The Gillard government has already extended its support, while the trade union leaders have indicated their readiness to participate. At the same time, the government has established a “razor gang” to meet the commitment it made to financial markets to bring the 2012-13 budget to surplus and to implement the same social counter-revolution as that being carried out by its counterparts in the US and Europe.

12. While the working class has faced ever-deepening insecurity and hardship, times have never been better for the wealthy elite. In the last year alone, the country’s richest 200 individuals increased their collective wealth by 23 percent, or \$33.1 billion, to a staggering \$167.3 billion.

13. The widespread opposition among ordinary people towards the Labor government’s domestic and foreign policy agenda has so far largely taken the form of disgust and alienation. Such sentiments, however, do not constitute an alternative political perspective. Yet this is what the working class urgently requires.

This conference therefore:

(i) Insists that there are certain basic, non-negotiable social rights that must be guaranteed to all, including the right to a job, the right to a liveable income, the right to decent education, the right to housing, the right to high-quality health care, the right to culture, the right to a secure retirement, and the right to a safe environment.

(ii) Resolves that in order to fight for these rights, the working class must break free of the shackles of the trade unions, which have collaborated in and policed the elimination of hundreds of thousands of jobs and the destruction of the living conditions of the working class. We call for the formation of new organisations of working-class struggle, including rank-and-file workplace committees.

(iii) Calls on workers to make a conscious and decisive break with the Labor Party and all those political tendencies that work to prop it up. This includes the Greens, whose de facto coalition with the Gillard government has exposed their pretensions to be a “left” or “progressive” alternative to Labor and demonstrated their function as a key component of the official bourgeois parliamentary establishment. Likewise, the various pseudo-socialist outfits, which are bitterly hostile towards any independent political movement of the working class, and are concerned that their promotion of Labor as a “lesser evil” to the Liberals has lost all credibility. They are now seeking to forge a new reformist party as a new diversion and trap for the working class, like the New Anti-Capitalist Party (NPA) in France and Left Party in Germany

(iv) Advances the fight for the overthrow of the private profit system and the establishment of a workers’ government that will construct a socialist society, where the commanding heights of the economy are publicly owned and democratically controlled, with production organised to satisfy the social needs of the vast majority, rather than to augment the enormous profits and wealth of a small minority.

(v) Calls on workers and young people to strike out on a new road, and build the Socialist Equality Party, the only party that fights for this perspective, as the new revolutionary leadership of the working class. At the heart of this struggle is the need to assimilate the strategic lessons of the struggles of the Marxist movement throughout the twentieth century.



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