

# Behind the failed political coup against Australian PM

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An interesting comment has appeared from the BBC concerning this week's failed leadership challenge against Australian Prime Minister Gillard.

BBC correspondent Nick Bryant declares: "Australia has one of the most brutal coup cultures in the democratic world, in which party leaders are dispatched with abandon. As yet another prime minister faces a threat from her own side, has the country become the 'coup capital' of the world?"

The article points out that since the beginning of the year, Victoria's Premier Ted Ballieu, Northern Territory chief minister Terry Mills and South Australian Liberal opposition leader Isobel Redmond have all been ousted. It notes that the same fate has befallen a long list of political leaders from the Labor and Liberal parties over the past decade.

"For the watching world, this high political casualty rate must be somewhat perplexing. Australia, having weathered the last three global downturns, has enjoyed 22 consecutive years without recession. So why are its politicians, who have contributed to this national success story, nowhere near as resilient?" Bryant asks.

According to Bryant this acute instability, in the face of positive economic figures, is simply a peculiar and perverse Australian phenomenon, rooted in a "brutal political culture" involving ruthless factional powerbrokers and a preoccupation with opinion polls. His answer explains nothing.

In fact, the present political upheavals are bound up with international processes which, over the past 30 years, have profoundly changed class relations. Above all, the globalisation of production has undermined the program of national economic regulation and limited social reforms on which the Labor Party and the trade unions were based. Like Thatcher in Britain and Reagan in the US, the Hawke-Keating Labor

governments from 1983 to 1996 carried out a relentless offensive against the working class, aimed at making Australian capitalism "internationally competitive".

The result was an unprecedented redistribution of wealth up the income scale. Australia is today one of the most socially unequal countries in the industrialised world. According to the Reserve Bank, the richest 20 percent owns nearly 67 percent of all wealth, while the poorest 20 percent owns just 0.2 percent. In 1970 less than 3 percent of households were living in poverty. Three decades later, that figure was close to 20 percent. This wholesale assault on the social position of the working class, including the destruction of hundreds of thousands of manufacturing jobs, hard-won working conditions and essential social services has resulted in a deepgoing and widespread alienation within the working class from its old organisations—the Labor Party and the trade unions.

The pre-conditions for the past 22 years of unbroken economic growth were laid by the brutal pro-market "restructuring" of the Hawke-Keating years, which enriched a small affluent layer at the direct expense of millions of ordinary workers, along with the mining boom associated with the rise of China as the world's largest cheap labour platform. In the last decade alone, Australian exports have expanded from \$8.8 billion in 2001-2002 to \$77.1 billion in 2011-2012.

The Australian economy's growing economic dependence on China, however, has only compounded the dilemma confronting the ruling class, which, since World War II, has been strategically dependent on US imperialism to defend its economic and geo-political interests in the Asia-Pacific. Australian governments have backed every US-led war since the collapse of the Soviet Union, as Washington has sought to project its military might in order to offset its historic economic

decline. But Obama's "pivot to Asia" —a product of the deepening global tensions produced by the financial breakdown of 2008—aimed at confronting China diplomatically, economically and strategically throughout the region, has brought to the surface sharp divisions within the Australian political establishment.

It is these global processes that have given rise to the acute political instability wracking not only the Labor Party, but the entire political establishment.

These have been sharply expressed in the protracted conflict inside the Labor leadership between Gillard and Kevin Rudd, the former prime minister who was ousted in the coup of June 2010. Articulating the interests of a section of corporate Australia, Rudd sought to ameliorate the rising tensions between Washington and Beijing. But his diplomatic initiatives cut directly across the Obama administration's determination to undermine China and shore up US dominance in the region. Rudd's ouster was orchestrated by key Labor factional powerbrokers with the closest of ties to Washington.

Gillard immediately pledged her full support to the US-Australia alliance and has marched in lockstep with the Obama administration ever since. In November 2011, Obama visited the country, and used an address to the Australian parliament to formally outline his "pivot to Asia". He then signed a deal with Gillard to open up Australian military bases to American Marines, warships and warplanes, placing the country on the frontline of any US conflict with China.

For the Obama administration, the US-Australian alliance and access to Australian military bases are a matter of central strategic importance. Gillard only survived last week's leadership crisis, and a previous challenge by Rudd in February of last year, in no small measure due to continued backing from Washington. Despite the government's historic lows in the opinion polls and the prospect of electoral oblivion, the key pro-US Labor heavyweights have continued to back Gillard against Rudd.

At the same time, powerful sections of big business that were demanding an end to the stimulus measures Rudd had enacted after the eruption of the global financial crisis, and the renegotiation of his new mining super profits tax, put their backing behind Gillard. Immediately upon seizing the top job, she promised to extend the so-called "reforms" of the Hawke-Keating

years by further opening up health, education and other social services to private profit. Over the past year, her government has presided over a new corporate restructuring, driven by the high Australian dollar, which is currently producing an avalanche of factory closures and job cuts.

Now amid a slowdown in the Chinese economy and economic slump in Europe and the US, the corporate elite is demanding further deep cuts to public spending in the May budget, along with a new "productivity" push aimed at driving up profits. The frustration in ruling circles is that neither the Gillard government nor the Liberal-National opposition are able to carry out these regressive measures within the framework of parliament and parliamentary elections. This points to the fact that the coups of the future will take evermore anti-democratic and authoritarian forms.

The working class cannot afford to stand on the sidelines while the ruling class implements this agenda. Workers must make a conscious break with the Labor Party and begin to intervene politically on the basis of their own independent class interests. The very real prospects of war and social counterrevolution can only be answered through the independent political mobilisation of the working class to establish a workers' government aimed at abolishing the dysfunctional and outmoded capitalist system and implementing a socialist program to meet the needs of the vast majority, not the super-profits of a tiny handful. That is the program of the Socialist Equality Party.



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