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Social Democracy in Australia

Country Fact Sheet in the Context of the Project »Adjusting the Profile of Social Democracy in Europe«

■ How does Social Democracy bring about the renewal it needs? In order to improve our understanding of the challenges Social Democracy faces in the national political discourses and to identify, if possible, »best practices«, several country fact sheets will be produced throughout 2008. A final document will be written in 2009 at the end of the project.

■ This country fact sheet is part of the ongoing project »*Adjusting the Profile of Social Democracy in Europe*« of the Friedrich Ebert Stiftung. The project aims to contribute to the discussion on the solutions Social Democracy can provide to the challenges of the 21st century.

■ Since his election victory the new Australian Prime Minister, Kevin Rudd, has become one of the international success stories of Social Democracy.

■ This fact sheet provides information on the structure of the political system and the Social Democratic discourse in Australia. It gives an overview of Social Democratic positions and the strategy of the Australian Labor Party (ALP) vis-à-vis allies and rivals.

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1 Basic facts

Election results of the past ten years for social democrats and important political rivals. (House of Representatives only; two party preferred vote.)¹

Election Year	Labor Party % vote	Liberal-National Coalition % vote	Outcome
1998	40	39	Liberal-National government
2001	38	43	Liberal-National government
2004	38	46	Liberal-National government
2007	52.7	47.3	Labor government

2 The structure of political competition and decision-making processes

2.1 Party system – changes in the past 10 years

At the national level, Australia has a kind of two-and-a-half party system. Politics remains dominated by the traditional left/right split, with the Labor Party on the left, and the Liberal and National Parties on the right (the Nationals are an agrarian party and tend to contest only rural seats). When in government, the Liberal/National parties form a coalition. Prior to their 2007 election success, Labor had not been in power since the defeat of the Keating government in 1996. Smaller minor parties exist and contest both House of Representative and Senate elections, but usually obtain representation only in the proportionally-elected Senate. In the past 10 years the centrist party, the Australian Democrats, has gained sufficient representation to hold the balance of power in the Senate, but their support has now ebbed away. The Greens and the Family First party have also gained representation in the Senate over the past 10 years.

2.2 Electoral system

Turning out to vote is compulsory in Australia and national elections are held every three years (but

terms are not fixed). Australia is a federal state and there are six States and two Territories, which have various electoral systems and government terms. Local elections also occur every three years. At the federal (national) level, members of parliament are elected to the House of Representatives (lower house) using a majoritarian preferential voting system. Electorate candidates must receive 50 percent plus 1 of the vote in order to be elected. Senators (elected to the upper house) are elected proportionally using a single transferable vote system on a state-wide basis. Each State elects 12 Senators and the Territories elect two Senators each (Costar 2006). The Senate currently consists of 76 Senators and the House of Representatives has 150 members of parliament. The party that wins a majority in the House of Representatives forms the government.

2.3 Voting patterns of major societal groups – changes over the past 10 years

Bluecollar voters have traditionally voted Labor; also, men are much more likely than women to vote Labor, even during the 1980s when gender gaps in voting behavior were appearing in the United States and Europe, with women favoring left-wing parties. However, in the 1996 election working class men abandoned Labor (24 percent) and voted for the Liberal/National Coalition (63 percent). This move is generally explained as the »battlers'« response to feelings of economic insecurity. It was not until 2007 that Labor was able to win back these voters, largely because the conservative government implemented a fully deregulated/individualized labor market with little or no role for trade unions. In addition, the conservative government faced declining economic fortunes (similar to Labor in the early 1990s). Labor in Australia has had difficulty in reconciling the need to capture and maintain both the middle class vote and the traditional male working class vote. While religion is not a significant voting cleavage, Labor is home to a solid Catholic vote, while the newer Christian groups have found homes in new parties on the right and within the Liberal party. The emergence and consolidation of the Green vote has presented a challenge to both Labor and the Liberal party in Australia, with wealthy, liberal, inner-urban voter volatility around environmental and human rights issues. Little attention is given to indigenous voters. Indigenous Australians constitute approximately 1.5 percent of the population and many live in remote areas; most

¹ The Australian Labor Party was in government between 1983 and 1996 and was re-elected only in November 2007. Hence much of the background material provided here refers to the past twenty years of Social Democratic performance.

tend to favor Labor, and in some urban electorates there is an ethnic (new migrant) voting effect that has also tended to favor Labor.

down approach to policy and candidate selection. Similar centralizing tendencies are also evident in the Labor parties at State-level.

3 The structure of political discourse and decision-making within the Social Democratic party

3.1 Members and party elites

The Australian Labor Party (ALP) grew out of the trade union movement and was Australia's first mass party. In recent decades, especially since the 1970s, the Labor party has become more of a catch-all party, seeking to appeal to voters beyond its traditional working class base. During the 1980s the Labor party machine came to rely less on party members for fundraising and more on corporate donations, trade union funding, and professional fundraising activities and investments. The party members also came to play less of a policy role, with constitutional changes in the 1970s ensuring that the parliamentary leadership would dominate this process in both government and opposition and at the annual party conference. For most of the twentieth century, trade unions were granted a larger proportion of delegates to party conferences than regular party members, giving them an institutional dominance within the extra-parliamentary party. This also provided them with significant power over the process of candidate recruitment and selection. There is no reliable data on Labor party membership.

3.2 Bottom-up vs. top-down

Historically, ALP organizational arrangements reflect a commitment to the decentralization of power away from parliament towards the branch members and the affiliated trade unions (bottom-up). The party's rules treat each level of the party as a delegate of the levels below, so theoretically the top levels of the party are bound by general policy decisions from below. In other words, the leaders of the party are expected to carry out decisions that have been arrived at collectively. However, in 1967 the National Conference (the peak policy-making body) was expanded to include the ALP's parliamentary leaders as delegates; this was a major structural change and ultimately a shift towards a more top-

3.3 Dialogue with civil society

Labor's time in government during the 1980s and early 1990s (1983–96) was marked by a high degree of consultation with organized interests representing the trade union movement, some business organizations, green groups, and the welfare lobby. Some labeled this period 'corporatist' because of the Accord policy that was developed at that time. Labor worked closely with the Australian Confederation of Trade Unions, involving signed agreements to tie wage increases to broader macroeconomic indicators in return for »social wage« outcomes: primarily a state-funded health care system (Medicare), a compulsory superannuation scheme, productivity dividends, and increased funding for retraining. Dialogue with other groups, such as indigenous groups and environmental organizations, was also significant during this period. During the conservative period of government, 1996–2007, dialogue with civil society was significantly reduced – it was seen as negotiating with special interests that did not represent mainstream Australia. However, Labor governments at the State level expanded their dialogue, implementing a range of measures under the heading of community consultation. Particularly popular was the traveling community cabinet, whereby State Labor Government Ministers would travel to rural and provincial areas and hold Cabinet meetings to which key citizens and groups would be invited. Since its election at the national level in 2007, the Rudd Labor Government has sought to demonstrate a commitment to reengaging with civil society by running a series of summits dedicated to harnessing ideas and strategies from key individuals and groups across Australia.

3.4 Social Democratic milieu? Changes over the past 10 years

In the past, the ALP has been split between left and right, with the left tending towards democratic socialism and the right favoring a form of laborism. The latter has come to dominate Labor Party discourse, especially in the areas of economy and welfare, with targeted rather than universal welfare

being the norm, and a focus on industrial workers' needs before welfare needs. The right of the party supported a series of economic policy shifts during their period in government (1983–96) that led to privatization of state infrastructure, partial deregulation of the labor market, and other economic reforms. The Labor left has never been able to secure the parliamentary leadership at national level and, given the role of the leader in policy development, this has meant a right-dominated policy agenda over the past 20 years while in both government and opposition.

4 The historical heritage of issues and the pattern of political discourse

4.1 Social issues

Welfare benefits are primarily the domain of the federal government rather than State (provincial) governments in Australia. Australian welfare benefits are funded from general government revenue as there is no dedicated social insurance system. The exceptions are Medicare health insurance and the compulsory superannuation scheme, both of which involve employer and employee levies, and both of which were introduced by Labor (between 1983 and 1996). Most social security benefits are means-tested and narrowly targeted; this is supported by both Labor and the conservatives. There is no paid maternity or parental leave as such, just a baby bonus paid on the birth of a child. Child care subsidies were introduced by Labor in the 1980s, but were significantly altered/cut under the conservatives. Re-injecting funds into child care is a policy platform of the current Labor government and a considerable injection of funds has also been provided for education, particularly higher education. Increasing broadband capacity across the country and addressing water policy and environmental issues is also part of the new Labor government's overarching policy platform.

4.2 Identity issues (nationalism, minorities)

Historically, national identity has been based on ideas of a »fair go,« egalitarianism, »mateship,« and workers battling harsh environments. Australian settlement was closely linked to the issues of immigration and Australian identity was generally ap-

plied to those of Anglo-Irish descent. It was not until 1972 that the Immigration Restriction Act (1901), which had been used as the basis for implementing a »White Australia« policy, was overturned. After World War II, non-British immigrants were brought to Australia to work on large infrastructure projects, but these were largely European immigrants. Acceptance of Asian immigration and the local indigenous peoples has been less willing. Indigenous Australians were not given the right to vote until 1962 and not counted in the census until 1967. By the 1980s the Labor government embraced and promoted the idea of multiculturalism and was considered more receptive to incorporating ethnic diversity and more open to reconciliation with aboriginal peoples. Between 1996 and 2007 the conservative Coalition government overturned policies supporting indigenous Australians and multiculturalism, and asylum seekers were imprisoned on arrival. Since the election of the Rudd Labor government in November 2007, a national apology has been made by the Prime Minister to indigenous Australians for past injustices by the state, and mandatory detention of asylum seekers has been revoked.

4.3 Religion vs. secularism

Whilst Australia is generally a secular nation, issues of religion have played an important role in politics. Historically, Irish Catholic workers voted Labor and Protestant pastoralists and urban bourgeoisie voted Liberal. This dichotomy persisted until the 1950s when a Catholic versus Communist split in the Labor Party and the trade union movement led to the establishment of the more conservative Democratic Labor Party. Conservative right-wing trade unions and factions remain within the Labor party, and this has created tensions around such issues as abortion reform, contraception, and stem-cell research. Religion in politics reemerged with the establishment of the Family First Party (with an evangelical Pentecostal support base). This party even won a Senate seat in 2004. Their influence was evident in debates on same-sex marriage and in-vitro-fertilization (IVF) for infertile mothers. In addition, the Exclusive Brethren sect has been active in funding anti-Labor and anti-Green campaigns.

4.4 The economic paradigm

Traditionally, Labor has supported policies associated with Social Democracy (government intervention, collective bargaining, infrastructural development) and Keynesian economics that provided the theoretical justification for government involvement in the economy. However, stagflation became a feature of the Australian economy and was exacerbated by a reliance on commodity exports for which demand – and so prices – had fallen. A shift to a neo-liberal economic policy platform was instigated by the Labor government from 1983 onwards, with a floating of the dollar, financial deregulation, privatization (sale) of public assets, tariff reductions, and deregulation of the labor market. Attempts were also made to introduce a goods and services (consumption) tax (GST), but it was considered unpalatable by left-leaning interest groups and the left within the Party. A GST was introduced by the conservative government in 2000 and will not be repealed by the current Labor Government, which continues to advocate a fiscally responsible approach to economic policy. The ALP, since the 2007 election, has maintained its focus on being »economically responsible« and sees its primary economic goals as fighting inflation, reducing government spending from an annual 4 percent growth to 1 percent, and keeping interest rates down.

4.5 Role of the state

As noted above, Labor has traditionally supported policies associated with Social Democracy (for example, welfare state, government intervention, infrastructural development) and employed Keynesian economics to justify government involvement in the economy. Until the rise of neo-liberalism in the 1980s there was a broad bi-partisan consensus that a mixed economy best suited Australia's national economic interest. However, with bi-partisan party support for the neo-liberal agenda in Australia for more than 20 years it remains to be seen whether the 2007 Labor government will challenge it or adopt the so-called »third-way« rapprochement with neo-liberalism. It is still too early to tell, but so far Labor has shown that it wants to limit the role of the state in economic matters. To this end the new ALP government has said that it will strictly control state spending, but will help low income earners and those moving »from welfare to work« with tax cuts. They also see a role for the state in diversifying

the Australian economy (for example, financial service provision) to ensure ongoing prosperity even if commodity prices fall. In addition, Labor believes that it can make Australia more competitive by amending the Trade Practices Act to crack down on anti-competitive behavior by big business.

5 The Social Democratic profile

5.1 Social Democrats in government: what are their most important projects?

It is still early days for the first Labor government in over 10 years, but it has indicated that it will follow what can be called a social justice path (for example, apologizing to Aboriginal people, rescinding mandatory detention for asylum seekers, repealing statutory individual agreements for workers). The ALP has also committed itself to: better targeting of government spending; managing inflation and interest rates; making the tax system fairer through reductions for low income earners; increasing education funding by \$A11 billion with a specific focus on skill shortages and the later stages of education; \$A10 billion for health; and a further \$A20 billion on nation-building infrastructure projects. The new Labor government is also committed to climate change policies and international protocol ratification. This is in stark contrast to the ousted conservative government.

5.2 The Social Democratic message – changes over the past 10 years

While in opposition the ALP did not challenge the continuation of free market policies or a partially deregulated labor market. They promised tax cuts and management of the economy in a way that would keep mortgage rates low, continued welfare to work programs, and dabbled with environmental/forest policies. However, Labor did run campaigns to revoke the consumer-based Goods and Services Tax and pledged increased funding for education. Nonetheless, little was offered to women or what could be called »postmaterialist voters.« Rather, Labor spent much of its time in opposition trying to win back bluecollar workers, many of whom had shifted to the conservatives. Labor's reelection was also thwarted by the heightened state of security after 9/11; the conservatives were

able to use the fight against terror and the politics of fear in both the 2001 and 2004 elections to their advantage. After repeated electoral failures some commentators argued that Labor's problems might be linked to the split between its working class supporters and the left-leaning middle class, and the difficulties associated with reducing inequalities within a broader neo-liberal economic framework. During its first year in office (2007–8) the ALP has implemented an agenda broadly similar to the one outlined in 2004, only this time around it could be argued that Labor was more explicit about its economic policies (for example, fight inflation, keep interest rates down, be fiscally conservative). Since entering government, Labor has significantly changed labor market policy and reduced tax rates to encourage low income earners back to work. The ALP has also given government a more human face, with changes to mandatory detention of asylum seekers and a public apology to the Aboriginal people.

5.3 The message of important political rivals

During the 2004 election the Coalition used its standard tactics and claimed to be good economic managers who would help workers and keep interest rates low, whilst saying the opposite about Labor. Labor lost this election and the Coalition even increased its majority and gained control of both houses (House of Representatives and the Senate). Labor's focus on tax cuts, health and education spending, and forests failed to convince voters, who seemed to be more concerned with keeping interest rates low. During the 2007 election campaign, the Coalition's campaign strategy concentrated on leadership and the need for an experienced hand to manage government. The Coalition's industrial relations agenda, »WorkChoices,« proved to be a decisive factor in their defeat. In particular, the trade unions mobilized en masse at the local level in support of Labor, alerting voters to the proposed industrial relations reforms. Moreover, environmental policy (Labor campaigned on signing the Kyoto Protocol), Australia's involvement in Iraq, treatment of asylum seekers, and voters' desire for leadership change were all issues that worked to Labor's advantage.

5.4 Social Democratic positions on social protection

With the end of the long boom in the early 1970s welfare expenditure came under closer scrutiny, with eligibility criteria tightened and benefits reduced. The Labor government of the 1980s and early 1990s has been portrayed as abandoning the redistributive goal of social democracy in favor of wealth creation and the sale of publicly owned assets. However, despite the efforts of the Coalition Government (1993–2007) to reduce the size of the welfare state (for example, old age pensions, unemployment and sole parent benefits, student allowances) such transfers still accounted for over 40 percent of the Budget in 2003–4. Attitudes towards welfare have nonetheless hardened and the concepts of wealth distribution and entitlement have been replaced by reciprocity and responsibility. The 2007 Labor government has significantly increased funding for the aged and public health, and has reduced tax thresholds for those on low incomes to encourage people to move from welfare to work. However, Labor believes that the most effective form of social protection is to diversify Australia's economic base and improve education and training, so that Australia has a skilled workforce that can compete internationally.

5.5 Social Democratic positions on the labor market

The distance between union leaders and the ALP has been growing over the last 20 years and accelerated after the demise of the ACCORD in 1996 (a corporatist agreement on wages between the state, unions, and business that was in place from 1983 to 1996). During the period of the ACCORD, trade union density fell by 20 percentage points and now stands at around 25 percent. The Labor Party has recognized the indifference of many Australian workers to unions and has, at least publicly, tried to distance itself from the union movement in its policy platforms. Labor's relationship with the unions has repeatedly been exploited by the Liberal Party and has prevented the ALP from actively engaging in labor market policy reforms. To date, however, Labor has introduced the Workplace Relations Amendment Bill which has put an end to statutory individual worker agreements (so-called AWAs). This is seen as a first step in a broader policy, called »Forward with Fairness,« that also involves a lower-

ing of tax thresholds for those on low incomes and increases in spending on education and training. As already mentioned, the trade union movement was a critical component of Labor's campaigning during the election, so the relationship between unions and party continues to be a multi-faceted one.

5.6 Social Democratic positions on important economic policy issues

The ALP tends to favor free markets over regulated ones. Labor believes that the most effective form of social protection is diversification of Australia's economic base and improvements in education and training so that Australia has a skilled workforce able to compete internationally. Since coming to power in 2007 the ALP has committed itself to a free market agenda, focusing on managing inflation, keeping interest rates low, and reducing state spending. Labor has always been largely committed to a mixed economy and a targeted welfare state. It believes it can deal with the impact of globalization more effectively by reducing Australia's reliance on commodity exports and developing the financial services sector. Additionally, Labor argues that it can make Australia more internationally competitive by amending the Trade Practices Act to crack down on anti-competitive behavior by big business and by criminalizing cartel offences.

5.7 Social Democratic positions on »security vs. civil rights«

The previous eight years under the Coalition government saw the balance shift strongly towards security to the detriment of civil rights in Australia. The ramping up of the security agenda began with the heavy-handed treatment of asylum seekers who were portrayed as a threat to Australian security and the Australian way of life. Moreover, the Criminal Code has been amended numerous times since 2002 and outlaws various groups and activities, while Australian Security Intelligence Organization Legislation was passed to give the intelligence services unprecedented powers of arrest and detention. Since 2007 the ALP has started to shift the balance towards civil rights, for example, by overturning mandatory detention for asylum seekers and launching an independent inquiry into the handling of the terrorism case against Mohamed Haneef. However, the speed of change is slow as

Labor does not want to be seen as being »soft on terror.« Civil Liberties Australia keeps a close watch on all elements of civil rights and argues that much remedial work is required in ensuring freedom of information around much of what has happened post 9/11. Australia's public support for anti-terrorism legislation waned significantly after the Americans held David Hicks prisoner in Guantanamo Bay for five years without charging him. The conservative Australian government was viewed by the public as taking insufficient steps to protect the prisoner's rights as an Australian citizen.

5.8 Social Democratic positions on the problems of an aging society

Support for the aged is a critical component of the welfare state and in 2007 Labor publicly acknowledged that the aging population was a major challenge. The development and support of an occupational superannuation scheme by the ALP (in the early 1990s) will eventually make the majority of Australians ineligible for the old age pension and reduce demands on welfare. Immigration policy has also been affected by Australia's aging population with the annual quota of skilled migrants of working age increasing under Labor. The ALP believes that the aged should receive federal support so that they can live independently as long as possible. Therefore, Labor is committed to spending \$A40 billion over the next four years on residential care, infrastructure, and nurses.

5.9 Social Democratic positions on gender equality

The Labor Party has adopted a quota of 40 percent women elected to safe seats by 2012. At this stage around 26 percent of Labor parliamentarians in the lower house are women. Four women have been included in the Cabinet (out of 20), one of whom is the deputy Prime Minister. The Labor government has also appointed a woman to be the next Governor General (the Queen's representative – the first time a woman has been given this role). The previous Labor government was very active in seeking women's votes and was explicit in its commitment to child care subsidies, reporting requirements for CEDAW², and maintaining a budget commitment to

² Convention on the elimination of all forms of discrimination

the Office of the Status of Women located with the Office of the Prime Minister. However, while in opposition Labor's explicit commitment to women's policy was diluted and rarely featured in its campaign materials. The 2007 election was the first time for more than 20 years that the ALP had gone to the polls without a women's policy. It has continually failed to commit the party to introducing paid maternity leave; Australia and the US remain the only two Western liberal democracies without a paid maternity leave scheme. The conservatives abolished OSW and created an Office for Women but it was located as an agency within another department. However, Labor's campaign in 2007 did include some policies of interest to women: there was a promise to develop a new national women's health policy in consultation with consumers, providers, and advocacy groups, to create a new national plan on violence against women that would bring women's services back into policy development, and a commitment to annual audits by an »independent agency« of the impact of policies on women.

5.10 Social Democratic positions on immigration issues

In 2001 both immigration and refugees were significant political issues. Asylum seekers were demonized and would-be migrants from Muslim countries were heavily scrutinized. At the same time, Australia needed working-age migrants to maintain economic growth. Upon coming to office, the Rudd Labor Government significantly increased the quota of skilled migrants and moved to resolve ongoing asylum seeker issues. Mandatory detention has been overturned and only asylum seekers who are deemed to pose a risk are detained. Moreover, these individuals are provided with legal representation, cases are heard more quickly, and the Immigration Department needs to justify a person's ongoing detention every three months.

5.11 Social Democratic positions on the future of the European Union

The previous, conservative prime minister preferred to deal with other countries on a bilateral basis. Preference was given to the United States and the

against women.

United Kingdom. The European Union featured rarely as it was not deemed relevant for Australia as long as there was no potential for increased access for Australian goods. The new Labor prime minister has brought a more multilateral attitude to foreign policy and is likely to engage more actively with the EU.

5.12 National identity in Social Democratic discourse

Australian identity has traditionally been developed around ideas of a »fair go,« egalitarianism, »mateship,« and hard work. For many years prior to the 1980s, Australia had an unofficial »white« Australia policy, despite immigration from Asia being a feature of Australia's immigration patterns. Labor in government in the 1980s and 1990s sought to reconfigure Australia's national identity to become more tolerant of diversity, cosmopolitan, multicultural, republican, and outward-looking (beyond traditional allies the UK and the US). This was achieved in part but much of the policy impetus behind it was dismantled under the conservative government (1996–2007). The events of 9/11 also played into the hands of those conservatives who wanted to tighten Australia's border controls and shield Australia from immigrants that challenged »Australian« (read: Anglo-Christian) values. Multiculturalism and indigenous rights became invisible within mainstream political discourse and those on the academic left were belittled and dismissed by politicians and the media. In this respect, the new ALP leader, Kevin Rudd, has said that he will seek to make Australia more inclusive and fairer.

5.13 Main cleavages within Social Democracy

There is an ongoing battle within the ALP between the dominant left and right factions, and between blue-collar and middle class supporters. The extent to which this is a matter of ideological differences rather than the exercise of power within the party is debatable. Debates around issues of global warming have been intense, given that coal mining is a core Labor sector, as is forestry, but Green activists within Labor would like to see more ecologically-friendly policies in these areas. The ALP realized prior to 2007 that electoral success dictated that these arguments should go on behind closed doors. In 2007 the ALP was able to appeal to its traditional

working class voting base, as well as to attract sufficient middle class voters by ending statutory individual work agreements and removing mandatory detention of refugees. Additionally, the Carbon Pollution Reduction Scheme has been the subject of intense conflict, with large-scale polluters being asked to make incremental changes over time in carbon-emission reductions.

5.14 Is there something like a »crisis of Social Democracy«?

The concept of »Social Democracy« is rarely used outside of ALP conferences or discussions within university political science departments. Therefore, if Social Democracy is not in crisis in Australia it is at least in heavy disguise. The Social Democratic agenda of the ALP has been under severe stress since the demise of the Hawke/Keating Labor governments. Even then a consensus approach dominated policy-making with an emphasis on the social wage (universal health provision via a Medicare levy and compulsory superannuation), and a broader commitment to a post-Keynesian, »third way« understanding of the importance of the market and elements of deregulation in finance and trade, as well as in the labor market. The ALP's 2007 election platform consisted of conservative economic ingredients (for example, focus on inflation, interest rates, and reducing government spending) and redistributive goals were to be achieved through lowering tax thresholds, low interest rates, and a diversified, strong economy.

6 Social Democratic strategy vis-à-vis allies and rivals

6.1 When Social Democrats are in government, with whom do they form coalitions?

Australian politics have been dominated by the two major parties (Labor and Liberal) for the last 40 years. The ALP won the 2007 election, their first victory since losing power in 1996. Moreover, the ALP's electoral win in 2007 means that it does not need to enter into formal coalition arrangements. The ALP has a majority in the House of Representatives (lower house), though not in the Senate (upper house). To make progress with its legislative agenda, however, Labor will need to gain the five

Green Party votes and support from either Family First (one vote) or the single independent Senator.

6.2 Relationship between Social Democracy and labor unions

There are strong historical and institutional links between the unions and the ALP. Many unions remain affiliated to the party and organizationally the ALP is still heavily influenced by union activity. During the 1980s and the first half of the 1990s unions were part of a corporatist-type partnership with the ALP and business interests. ALP decision-making is dominated by factional interests (left versus right) and these factions are largely dominated by union leaders. Despite these organizational links, the distance between union leaders and the ALP's elected arm has been growing as neither group wants to be hamstrung by the other's needs. So, whilst unions continue to give the ALP direct support, they now channel more of their efforts into union-specific issues in selected electorates. Party reform in 2001 reduced the strength of the union delegate vote at Labor Party conferences, but they are still a critical support base for the Party, and trade union officials are often poached by the Labor Party to stand as members of parliament.

6.3 Evolution of organized labor

There has been a large drop in union membership; it has halved over the last 20 years and now stands at around 20 percent of employees. The Australian workforce is highly casualized; indeed, over 25 percent of the labor force is in part-time or casual work. Union membership is more prevalent in the public sector than in the private sector, although certain sectors, such as maritime and mining, remain highly unionized. There is one trade union confederation, the Australian Council of Trade Unions, to which 46 unions are affiliated. This represents approximately two million workers. Many of these unions are also affiliated directly with the Labor Party. For example, the Commonwealth Public Sector Union is affiliated to the ACTU, but not the parliamentary party as there is a recognition that union members have to work with conservative governments at both State and federal level. The ACTU became the sole confederation in 1981. In 1987 the ACTU and the Labor government promoted a shift to industry-based unionism. This

involved a large number of union amalgamations, not all of which were easy.³

6.4 Emergence of right-wing populism – related challenges for Social Democracy

Small parties in Australia have rarely been in a position to wield political power in the House of Representatives but several right-wing independents with populist positions have been elected to the Senate, and at various times they have held the balance of power over key conscience issues and indigenous rights issues. The populist right-wing party One Nation was a significant force in the 1996 and 1998 elections, but cut primarily into the conservative vote. The result was that the conservatives adopted some of the populist party's right-wing positions, undermining its support base. The 2004 election saw the rise of the religious right (Family First) which gained a single Senate seat. While they won this seat on Labor preferences there is little dialogue between the two groups. Interestingly, part of reason for Labor's 2007 victory was their vision of a more inclusive, fairer Australia which resonated with a community tired of divisive populist politics.

justice into political power. This is partly because in the 2004 electoral campaign both major parties added environmental aspects to their platforms. After the 2007 election the Greens hold five seats and the balance of power in the Senate. It will be interesting to see how they use this position over the next three years.

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6.5 Emergence of »soft conservatism«

The term »soft conservatism« is not used in Australia. It could be argued that the »wets« within the Coalition were soft conservatives (for example, not willing to seriously attack the welfare state) behind the façade of their neo-liberal anti-union rhetoric. However, the Coalition does not employ a social justice discourse and prefers to talk about individual effort, reducing regulation, and the market. The ALP, on the other hand, uses the social justice discourse extensively and emphasizes protection of the vulnerable (that is, spending on health, the aged, and education), along with individual responsibilities.

6.6 Emergence of political forces to the left of Social Democracy

The Green Party has not been able to translate voters' concerns about the environment and social

³ The number of unions decreased from 326 in 1986 to 56 in 1995.



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