PRINCIPLE AND PRAGMATISM

A STUDY OF COMPETITION BETWEEN AUSTRALIA’S MAJOR PARTIES AT THE 2004 AND OTHER RECENT FEDERAL ELECTIONS

Dr Maurice Rickard
2002 Australian Parliamentary Fellow
Principle and pragmatism

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Presiding Officers’ Foreword

Since its establishment in 1971, the Australian Parliamentary Fellowship has provided an opportunity for academic researchers to investigate and analyse aspects of the working of the Australian Parliament and the parliamentary process. The work of Dr Maurice Rickard, the 2002 Australian Parliamentary Fellow, examines the notions of principle and pragmatism in the political competition between Australia’s two major parties.

Dr Rickard discusses the alleged decline in voter loyalty to the two major parties and provides a detailed case analysis of the 2004 election based on the concepts of principle and pragmatism. He then moves to “map” the ideological positions of the parties at elections between 1993 and 2004.

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Summary of Key Findings and Observations

This brief study addresses a number of questions about pragmatism and principle in the context of recent electoral competition between the Australian Labor Party and the Liberal Party of Australia, particularly at the 2004 election. Some of these questions are about priorities, and some are about meanings. How strongly has the incentive to be pragmatic in policy encroached on principled policy formation in these parties? What does it mean for policy to be principled, and where does the line between principled and pragmatic policy formation lie? How different have the two parties been in the ideals they advocate, and how faithful have their respective policies been to these ideals?

The first chapter of this monograph outlines the currently available data on partisan dealignment with regard to Australia’s two major parties. The second chapter begins the discussion of principle and pragmatism by seeking to clarify what it might mean for a party’s policies to be principled, and what relationships and influences this might have regarding pragmatic politics. The chapter that follows makes use of this analysis to present a detailed case analysis of the 2004 Federal Election. The focus there will be on the degree to which the key policies of the parties conformed to those parties’ ideals. The final chapter systematically applies some quantitative techniques to spatially represent or “map” the ideological positions of the two major parties at elections between 1993 and 2004. These maps purport to throw systematic light on the dynamics of ideological change with the parties over time, and with regard to both economic and non-economic policy domains.

The key findings and observations that emerge from the monograph are as follows:

**Chapter one: Party Voting And Partisan Decline**

There is evidence of declining allegiance of voters to Australia’s major parties. One indicator of this is the consistency with which voters who vote for a major party in the House of Representatives, vote for the same major party in the Senate.

- Extensive surveys (the Australian Election Studies) indicate that there has been a steady decline in the proportion of surveyed voters who voted for Labor in the House of Representatives and also for Labor in the Senate between 1990 and 2004. [Chart 5; p. 9]
• Between 1998 and 2004, there has been an eightfold increase in support for the Greens in the Senate from surveyed voters who voted Labor in the House of Representatives. In this same period, there was a marked decline in support for the Australian Democrats in the Senate from surveyed voters who voted Labor in the House of Representatives. This suggests that support for the Democrats on the part of those who voted Labor in the House of Representatives, is being displaced to the Greens. [Chart 6; p. 10]

• Between 1998 and 2004, there was a similar marked decline in support for the Democrats in the Senate from surveyed voters who voted Liberal in the House of Representatives. There was no corresponding increase in support for other minority parties in the Senate from these voters. However, in this period there was a marked increase in support for the Liberal Party in the Senate on the part of those surveyed voters who voted Liberal in the House of Representatives. This suggests that support for the Democrats on the part of those who voted Liberal in the House of Representatives, is not being displaced to other minority parties, but is being “reabsorbed” as support for the Liberals in the Senate. [Chart 7; page 11; Chart 5, p. 9]

Chapter two: Principled and Pragmatic Justification of Policy

• Shaping policy on the basis of polling and survey results, or what will serve a party’s electoral interests, is often taken as the paradigm of unprincipled politics. However, this view reflects an impoverished understanding of principle in politics. The dichotomy between “principled” and pragmatic or “expedient” policy is a false one. It is defensible for a party to compromise its values on particular occasions if this serves to maximise their realisation in the long run. [p. 16ff]

• Poll-guided and, even poll-driven, policy can be a strategic tool in the best achievement of a party’s principles and ideals. In fact, principled party politics will require a party to pursue expedient policy at the right times. [p. 19]

Chapter three: Principle and Pragmatism in the 2004 election

• The two philosophical themes that John Howard avows (in the texts scrutinised here) for the Liberal Party under his leadership – economic liberalism and social conservatism – are fundamentally in tension and not well-unified. [p. 29–37] This is not just a matter of philosophical interest. These principles inform Liberal Party policy in conflicting ways. There was evidence of such inconsistency in the key
social policies the Liberal Party took to the 2004 election (viz., *Medicare Plus* vs Pharmaceutical Benefits Scheme co-payment increases). [p. 40–41]

- The Labor Party’s accession at the 2004 election to PBS co-payment rises also reflected a deep tension in its values, a tension which resulted in the Labor Party giving precedence to values of economic management over principles of collective social support for citizens’ needs. [p. 52–53]

- The key policy emphases of both major parties converged during the 2004 election, and converged ostensibly on issues that non-committed voters considered most important. However, there was not just a commonality of policy between the parties at the 2004 election, there was also a commonality of principle, in both economic and social domains. The “ladder of opportunity” theme in Latham’s economic policy and its element of individual and civic responsibility for individuals’ economic outcomes, echoed the philosophical themes of Howard’s Liberalism. Similarly, the Liberal Party’s increased emphasis on collective responsibility for people’s needs (and its downplaying of “user-pays” principles), reflected in the *Medicare Plus* expansion of concessional benefits, echoed value priorities typical of the Labor Party. [p. 53]

**Chapter four: Difference or Convergence? Longer Term Analysis of the Parties’ Ideological Positions**

Judgements are often made as to a political party being ideologically “of the left” or “of the right”. But there are limited ways of validly and systematically measuring the degree to which a party is left or right. One very defensible method of measuring ideological position has been developed which relies on the systematic content analysis of parties’ election manifestos, and the mapping of parties’ policy positions in “ideological space”. [pp. 57–63] Application of these systematic measures by the author to the Labor Party and the Liberal Party for the elections from 1993 to 2004 indicate the following ideological relationships between the parties:

- Taking into account the parties’ policies overall, the Labor Party has been consistently positioned on the ideological left in the 1993 to 2004 period, and the Liberal Party consistently on the right, though closer to centre than the Labor Party. [Chart 10, p. 65]

- Taking into account the parties’ policies overall, the Labor Party has been more ideologically stable than the Liberal Party in the 1993 to 2004 period. [Chart 10, p. 65]
• Taking into account the parties’ economic policy only, both parties have been positioned on the ideological right in the period 1993 to 2004, although the Labor Party has been closer to ideological centre on average. [Chart 11, p. 67]

• The Liberal Party has been more stable in its economic ideology than the Labor Party in the 1993 to 2004 period. [p. 66]

• Taking into account the parties non-economic (including social) policy only, both parties have been predominantly on the ideological left between 1993 and 2004, with the Liberal Party closer to ideological centre, and the Labor Party considerably on the left. [Chart 11, p. 66; pp. 67–69]

• While it may be reasonable to agree that many social policies advocated by John Howard’s Liberal Party are ideologically of the right (particularly in areas of “social values” and security), the evidence from the systematic ideological analysis conducted here suggests that the matter may be more complex when social policy is conceived more broadly, to include social welfare and quality of life policy domains. [p. 69]

• Measures of the ideological positions of median surveyed voters suggest that between 1993 and 2004 voters were consistently slightly on the right of ideological centre. [Chart 12, p. 71]

• Taking into account the parties’ overall policies, on average the Liberal Party has been ideologically closer to general voters than the Labor Party in the 1993 to 2004 period. The Liberal Party was particularly close to voters in general at the 2001 and 2004 elections, while the Labor Party was at its most distant from them in 2004. [Chart 12, p. 71]

• Measures of the ideological positions of median surveyed voters who identify with each of the parties suggest that Labor Party supporters were consistently ideological left of centre (slightly) between 1993 and 2004, and Liberal Party supporters were well to the right. [Chart 12, p. 71; p. 71]

• Taking into account the parties’ overall policies, on average the Liberal Party has been ideologically closer to its voter support base than the Labor Party has been to its support base between 1993 and 2004. [Chart 12, p. 71; p. 71]

• Measures of the ideological positions of median surveyed voters who are “swinging” voters (i.e. who sometimes vote Labor and sometimes vote Liberal)
suggest that between 1993 and 2004 swinging voters were ideologically very slightly to the right of centre, and consistently so. [Chart 13, p. 72]

• Taking into account the parties’ overall policies, on average the Liberal Party has been closer to the average ideological position of swinging voters than has the Labor Party. [Chart 13, p. 72]

• Measures of median surveyed voters’ ideological positions on economic policy suggest that voters in general, voters who identify with the Labor Party, and voters who identify with the Liberal Party, were all moving to the left economically between 1993 and 2004. At the same time, both parties were generally moving to the right economically. [Chart 14, p. 75]

• Taking into account the parties’ ideological positions on economic policy, the Liberal Party was on average closer in economic ideology to its voter support base between 1993 and 2004, than the Labor Party was in economic ideology to its support base. The Labor Party, however, was on average closer in economic ideology to Liberal Party supporters, and voters in general, than was the Liberal Party. [Chart 14, p. 75]

• On the basis of certain plausible assumptions, it can be argued that, in its overall ideological positioning between 1993 and 2004, the Liberal Party was optimally placed to attract swinging voters without alienating its existing supporters. The Labor Party, on the other hand, does not appear to have been optimally positioned to attract swinging voters. The Labor Party’s mean overall ideological position between 1993 and 2004 has been consistently to the left of the average positions of swinging voters and Labor’s existing supporters. On the operative assumptions, it could be argued that the Labor Party may have been better placed to attract swinging voters while maintaining its existing supporters, if it had been positioned more at the ideological centre in its overall policies. [Chart 12, p. 71; Chart 13, p. 72; and p. 72]

• Differences in the proportions of the primary vote achieved by the major parties between 1993 and 2004 and between 1949 and 1990 have not varied in a statistically significant way in relation to the ideological distances between the two parties in these periods, (according to the methods of ideological positioning endorsed here) [p. 76; Chart 15, p. 76]
Summary of Key Findings and Observations

- The Labor Party has won office when it has been ideologically close to the Liberal Party, as well as when it has been ideologically distant. The same is true for the Liberal Party. A party in opposition seeking to differentiate itself ideologically from the party in power in order to maximise electoral support, is not necessarily a winning strategy. [p. 76]
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Introduction

Within advanced western democracies over the last 50 years there has been a decline in the degree of loyalty voters show to political parties.\(^1\) Though not as pronounced as in many other advanced democracies,\(^2\) this is also true of Australian voters and the major political parties. Australian voters no longer identify with the major parties as consistently as they have in the past, and are less disposed to automatically vote for the same party.

Various explanations have been put forward for the causes of this widespread partisan de-alignment, most of them connected with processes of social modernisation that have occurred in industrial democracies since World War II. Increasing levels of social mobility and education, for example, have been argued to underlie a decline in citizens’ class-based identifications, and with that, their identifications with political parties that have differentiated and defined themselves along class divides.\(^3\) Similarly, when confronted with complex policy choices, a more educated citizenry is less reliant on the information and decision cues provided by political parties, particularly in the context of mass media and communication.\(^4\) It has also been argued that increased levels of affluence in industrial democracies have resulted in citizens’ concerns shifting away from material issues toward quality of life issues (e.g. the environment and life style choice) which cut across traditional party boundaries, and which have engendered prominent single issue groups.\(^5\)

Whatever the causes, there are also certain consequences of partisan de-alignment which relate to both voter behaviour and party behaviour. Increased partisan de-alignment has resulted in an increased pool of non-committed voters who are less mobilised by traditional party symbols. Where those symbols no longer motivate, other factors take on greater motivational significance. Evidence suggests that de-alignment has resulted in an increase in issue-based voting (where specific issues are more salient in the voting decisions of unaligned voters) and voting decisions that are made at times increasingly closer to election day.\(^6\) Connected with this there has been increased electoral volatility, where non-aligned voters “swing” in their votes from election to election between competing parties.\(^7\) There has also been an observed increase in the importance of election candidates and leaders as determining factors in decision-making among non-aligned voters.\(^8\)
The behaviour of political parties has also changed in response to this voting behaviour. In the context of a growing proportion of non-committed swinging voters who focus on specific issues and make their voting choices at late stages of election campaigns, there are strong incentives for political parties to develop and communicate their policies, and to conduct their political campaigns, in ways that strongly target these voters’ preferences. The incentive will be particularly strong when, as in Australia, electoral outcomes depend heavily on the preferences of swinging voters (certainly at the federal level), and where polling and survey techniques and analysis are becoming increasingly sophisticated and readily available. There is evidence that contemporary party campaigns are making increased use of professional pollsters and market research, and it has been argued that a broad shift has taken place in party competition in modern democracies, from selling an ideological perspective to marketing what policies will sell.9

In the context of partisan de-alignment, it makes pragmatic sense for political parties to target their policies to the swinging voters inhabiting the middle-ground.10 With this said, however, pragmatism is not the only characteristic of political parties. Political parties often also seek to distinguish themselves in terms of what they stand for – what they avow as their principled commitments, perspectives, ideals or ideology. This fact throws into relief a number of questions about the relationship between pragmatism and principle in the context of party competition.11 Some of these questions are about priorities, and some are about meanings. How strongly has the incentive to be pragmatic in policy encroached on principled policy formation? What does it mean for policy to be principled anyway, and where does the line between principled and pragmatic policy formation lie?

The discussion that follows in this monograph focuses on these questions as they relate to recent competition between the Australian Labor Party and the Liberal Party of Australia. To set the appropriate context, the first chapter of the monograph outlines the currently available data on partisan de-alignment with Australia’s two major parties. The second chapter begins the discussion of principle and pragmatism by seeking to clarify what it might mean for party policy to be principled. It presents an analysis of the idea of principled justification of policy, and elucidates its relationship to strategy and pragmatism. The chapter that follows makes use of this analysis to present a detailed case study of competition between the two major parties in the 2004 Federal Election. The focus here will be on discerning the degree to which the most prominent election policies of the two parties reflected their respective party principles or ideals,
and the degree to which they may have given way to pragmatic and strategic electoral considerations.

Central to the issue of principle in policy formation is the question of how this can be measured. While one obvious approach is to look at the match between what parties say by way of their ideals and what they actually do, this is not the approach that will be adopted here. Even when a party’s ideals can be identified, a focus on what that party does would be too unwieldy for a limited comparative study such as this, and methodologically problematic in other ways as well. For example, parties do many things, some of which conform to their principles, some of which do not. In measuring the match between parties’ actions and their avowed principles, what weight is to be accorded to which actions? How are degrees of prominence or importance between a party’s actions set? Similarly what parties do is subject to myriad circumstantial variables (e.g. varying economic and international conditions, unanticipated social and environmental changes, etc). How can these be controlled in any systematic measure of principle and policy, and what status would they have as “excuses” in any measured deficit between policy action and party principle? Moreover, how could a credible comparison be made between parties in power, which can enact public policy, and those in opposition which cannot, and which are subject to different risks and opportunities in what they say they will do?

The better (though, of course, still not perfect) approach that will be adopted here is to focus on what parties say. In the 2004 election case study, the two major Australian parties will be compared in terms of how faithful the match is between the key policies expressed in their respective election policy launch speeches and the ideals and principles avowed in a range of those parties’ “authoritative” texts. Election speeches, with the differential emphasis they place on different policies, provide a source of information for determining what weights a party assigns to different policy positions. At election time also, both parties are in a more comparable position when it comes to circumstantial variables and influences. Both parties are similarly seeking office, under the same formal electoral risks and opportunities.12

The 2004 election case study will be qualitative and interpretive in nature. The advantage of this type of study is that it provides the opportunity for detailed insights, and a more textured sense of the complexities involved in principles and pragmatism and the compromises that might arise between them. It also allows a close-up view of whether and how the parties focus on common specific election issues that might mobilise swinging voters. The limitation of case studies like this, however, is that they
present a very particular and static perspective on party competition. They provide limited insight into the longer term processes or changes that might be occurring in party principles or ideological position over time, particularly the possibility of increased policy convergence between the parties.

To fill this gap, the final chapter of this monograph systematically applies some quantitative techniques developed in the course of the European Comparative Manifestos Project, to spatially represent or “map” the ideological positions of the Australian Labor Party and Liberal Party at elections between 1993 and 2004. Those maps allow for more rigorous comparisons, and help to throw systematic light on the dynamics of ideological change within Australia’s major parties over a significant period of time, in both economic and non-economic policy domains.
Chapter one: Party Voting and Partisan Decline in Australia

Australian politics has been dominated by two political parties – the Australian Labor Party and the Liberal Party of Australia and its forerunners (usually in coalition with the National Party). This duality has been sustained in large part by the firm allegiance Australian voters have to one or the other of these parties. For a large portion of the twentieth century, over half of the Australian electorate has voted for the same party throughout their life-time. However, there is evidence based on a number of indicators from electoral and survey data that this faithfulness to the major parties is weakening.


An important indicator of a voter’s allegiance to a political party is whether the voter identifies with that party or not – whether the voter identifies as a Liberal voter or a Labor voter or a Democrat voter, etc. Data compiled from the Australian Political

Source: Australian National Political Attitudes surveys 1967, 1979; Australian Election Study surveys 1987–2004
Attitudes surveys, and the Australian Election Study surveys indicate that between 1967 and 2004, the rate at which voters identify themselves with the major Australian parties has declined. In 1967, 89 per cent of surveyed voters identified themselves as either Labor or Liberal-National. That proportion had fallen to 77 per cent in 2004. As Chart 1 indicates, the proportion of survey respondents who were Liberal-National identifiers fell through the ‘60s, ‘70s and ‘80s, but has evened out since and has begun to increase after 1998. During the ‘60s and ‘70s, the proportion of Labor identifiers increased, but this proportion declined considerably after the late ‘80s.


Where have all these former major party identifiers gone? While there has been a steady increase since 1998 in surveyed voters identifying with the Liberal-National coalition, it appears from the surveys that the remaining former party identifiers have either begun to identify with minor political parties, or else have given up identifying with any party at all, major or minor. Since 1969, there has been an almost four-fold increase in those who do not identify with any party. Since the early 1990s, there has been a doubling in those identifying with minority parties.
Another direct indicator of voters’ party allegiance is their strength of identification with a party. Of those who do identify with a major Australian party, how strongly do they identify? As can be seen from Chart 2, most who identify with major parties, identify fairly strongly, and the proportion of these fairly strong identifiers has not changed much since 1967. But there has been a marked decline in those who identify very strongly with their preferred major party, with only half as many now as there was in 1969. Correspondingly, the proportion of not very strong (or weak) identifiers has almost doubled. So, not only are there fewer major party identifiers, there have been decreases in how strongly the remaining identifiers identify with their party.

Strength of commitment to a party perspective can also be gauged by how predisposed voters are to vote for that party. The more predisposed they are, the more likely they are to have already made up their minds to vote for a party. Survey data between 1987 and 2004 reveals a trend of voters deferring their voting decisions until the election campaign itself (See Chart 3). An average of approximately 10 per cent of surveyed voters decide on the day of the election. This tends to suggest a “wait and see attitude” on the part of some voters.


Source: Australian National Political Attitudes Surveys 1967, 1979; Australian Election Study surveys 1987–2004
Voters who are faithful to a party are also more likely to be consistent in their voting for that party. The degree of stability or instability in voting behaviour can, therefore, indicate degrees of party allegiance. One indicator of party vote stability is the degree of “vote swing” – whether a voter always votes for the same party, and how disposed the voter is to vote for a different party. Another indicator is the degree of “split-ticket voting” – whether someone votes for the same party in the House of Representatives as in the Senate, for example.


Again, the survey data reveals noticeable or increased levels of instability. Take vote swing first. Since 1987, there has been a 25 per cent decrease in the proportion of surveyed voters who have always voted for the same party at the federal level (See Chart 4). And there seems to have been a fairly consistent proportion of voters (around 25 per cent on average) who have been seriously disposed to change their voting intentions during campaigns. Added to this, there seems to have been a decline in the
proportion of voters who strongly care which party wins. It is of note that between the 2001 and the 2004 elections, there was an increase in the proportion of surveyed voters who cared strongly which party won, and a decrease in the proportion of voters disposed to change their voting intentions during the election campaign.


Consistent party support also seems to be decreasing when measured by comparing voting for the House of Representatives and for the Senate (See Chart 5). The great majority of those who vote for a major party in the House of Representatives, also vote for the same major party in the Senate. But, as Chart 5 shows, this tendency has been generally decreasing. Since 1990 there has been a steady decrease in the proportion of those surveyed who vote for the same major party in both houses. Nearly 90 per cent of those surveyed who voted for Labor in the House of Representatives in 1990 voted Labor for the Senate. By 2004 however, this proportion had dropped to 77 per cent. Between 1990 and 1998, surveyed Liberal voters underwent an overall steeper decline in the consistency of their voting between the House of Representatives and the Senate, dropping from 89 per cent to 80 per cent. While the voting consistency of surveyed Labor voters continued to decrease after 1998, it is notable that surveyed Liberal voters showed a marked increase in their voting consistency between 1998 and 2004.

Source: Australian Election Study surveys 1990–2004
The minority party voting in the Senate of those who voted for a major party in the House of Representatives changed markedly after 1998. While those who voted for a major party in the House of Representatives showed considerable support for the Democrats in the Senate in 1998 – in fact the greatest level between 1990 and 2004 – that support declined sharply after 1998. With those who voted Liberal for the House of Representatives, this decreased support for the Australian Democrats in the Senate after 1998 was accompanied by slight increases in support for the Greens. However, with those who voted Labor for the House of Representatives, there was a significant increase in their support for the Greens in the Senate. In fact, between 1998 and 2004, their support for the Greens in the Senate had increased eightfold (Chart 6). The same did not occur with surveyed Liberal voters for the House of Representatives.


This decline in the consistency of voting between the House of Representatives and the Senate was correlated with an increase in minority party voting for the Senate. As Chart 6 and Chart 7 indicate, between 1990 and 2004 some who voted for a major party in the House of Representatives also voted for a minority party in the Senate. Those who voted Labor for the House of Representatives were generally stronger supporters of the Australian Democrats in the Senate than were those who voted Liberal for the House of Representatives. The latter were generally more supportive of the National Party and One Nation in the Senate. In 1998 and 2001, there was greater support in the Senate for One Nation than for the National Party from those surveyed who voted Liberal in the House of Representatives. In 1998, support for One Nation in the Senate among those
surveyed who voted Labor in the House of Representatives was about the same as these voters’ support for the Greens.

The decline in support for the Australian Democrats on the part of those who voted Liberal for the House of Representatives was correlated with an increase after 1998 in support from these voters for the Liberal Party in the Senate (see Chart 5). This suggests that their declining support for the Democrats was “re-absorbed” as support for the Liberal Party. For those who voted Labor in the House of Representatives, on the other hand, their support for the Democrats in the Senate appears to have been displaced to the Greens, rather than being re-absorbed into the Labor Party.


All told, then, there is persuasive evidence that Australia like many other advanced western democracies is experiencing declining allegiance to its major political parties. This is not to suggest that the survival of these parties is under threat. But the decline and its consistency in Australia, and the sorts of pragmatic incentives de-alignment engenders, do suggest that the issues of pragmatism and principle noted at the outset are important ones to address in the Australian context. The chapters to follow take up some of those issues.
Chapter two: Principled and Pragmatic Justification of Policy: Distinctions, Compromise and Balance

From time to time, political parties are criticised for being unprincipled, or for being inconsistent with their ideals, or expedient in their policies, or for serving their own political interests. Despite the frequency of these criticisms, there is little elaboration of what is meant by being principled, or exactly how being expedient or self-serving departs from being principled. There is sometimes a tendency to think of a policy as principled if it is in agreement with the principles we happen to favour, and unprincipled if it is not. In the same vein, we are inclined to criticise the parties we support when they do not stick to their principles, and to criticise the parties we do not support, when they do. The judgements in all these cases are made from the point of view of what we might think the “correct” or most defensible political or social principles are. There is nothing inherently wrong with this. Making substantive philosophical judgements about policy is an important part of political analysis, particularly how well a policy is justified from the point of view of principle.¹⁵

But this way of judging how well-justified a policy is in terms of principle is inappropriate for the current investigation, the purpose of which is to make comparisons between political parties. Whichever way the principled justification of policy is spelt out, its measurement for comparative purposes needs to be conducted along parameters that are commensurable between the quite different political parties being compared. Adopting a particular substantive philosophical position as a critical starting-point would not easily lend itself to an independent and “value neutral” comparative analysis. Moreover, substantive judgements about the quality of a party’s values and ideals are highly disputable, and would themselves be as questionable in their justification as the party values they have been invoked to assess.

It is better to put aside substantive questions about the correctness of a party’s principles and to explore party policy and principled justification in a narrower, more neutral way.
Chapter two: Principled and Pragmatic Justification of Policy

Interpretations of Principled Justification

Political parties, whatever else they might be, are organisations. Just like companies, corporations and associations, they exist to further the goals and interests they have. Policies are the vehicles through which political parties seek to realise their fundamental political goals and interests. Needless to say, particular policies and positions succeed in doing this to varying degrees. The policies a party actually adopts will be subject to all manner of influence and limitations, internal and external to it. But still, the primary purpose of policy is to be the instrument of party interests.

It is sometimes argued that the underlying interest of a political party, as an organization, is to gain or maintain power. Certainly, this is an important and crucial interest. But it does not make sense for the fundamental goal of political parties to be power for its own sake. The true value of political power is as a means, a capacity to achieve something else that is valued more fundamentally. It is the realisation in society of this something else – the party’s values, principles and ideals – that is most plausibly taken as the fundamental goal. What this amounts to in reality, of course, will depend on what those values turn out to be, and how they can be achieved. But it is the realisation of a party’s values that is the party’s raison d’etre, and policy is the key instrument by which these are realised. At least that is the primary purpose of policy in a party that seeks its own interests. It makes sense, therefore, for a “value-neutral” comparative examination of principle and policy to focus on the character of this instrumental relationship.

This still allows of a number of senses and interpretations of being principled or principled justification. The question “How justified is this policy in terms of the party’s principles?” might be understood as asking either of four things about the instrumental relationship between the policy and the party’s principles.

- Firstly, it could be taken as asking how well the outcomes or states of affair expressly sought by the policy are directly consistent with the party’s principles and values. In other words, how true to party principle the expressed goals and content of the policy are – the degree of principled integrity they reflect.

- Secondly, that question could be seen as raising a strategic issue. If this particular policy were implemented or advocated in these particular circumstances, would the likely outcome of doing so realise or achieve the party’s values more, overall, than any other viable policy option?
• Thirdly, to justify something is often understood as meaning to actively and expressly **defend** it. So, asking how well justified a policy is in terms of party principle might be asking how openly and actively it is defended in those terms.

• Fourthly, justifying a position is sometimes understood as developing or constructing it from scratch through an actual systematic process. Asking how well justified a policy is in terms of principle might, therefore, be asking whether it was actively and deliberately constructed through a systematic **principle-guided process** of some sort.

The rest of this chapter elaborates some important aspects of these four options and their interrelationships. It will emerge that what it means for a policy to be principled is not a straightforward thing. Policies can be principled in one sense but not in another, and overall judgements as to how principled a party position is, need to take account of this.

**Principled Integrity**

The first of the senses distinguished above counts a policy as justified in terms of a party’s principles when the policy’s content directly reflects or exemplifies those principles. In other words, if the social states it expressly describes and recommends in its content, would either follow from the party’s underlying values and ideals, or else would not conflict with them. On this view it would not matter how the policy has in fact been developed – whether or not the policy has been derived from principles in a real life process of reasoning or deliberation. What matters is the degree of match or “integrity” between the party’s values and principles and what is recommended by the policy. How the policy came to be adopted, how likely its outcomes can be achieved, or what else might happen consequent on achieving them, do not matter when deciding if the policy is justified in terms of its principled integrity.17

Although there are sometimes black and white cases of principled integrity, it is seldom an all or nothing thing. Policy content can be consistent or inconsistent with a party’s underlying values to varying degrees. A policy expressly endorsing forestry in new growth areas, for instance, can reflect a commitment to employment. But perhaps not as unreservedly as a policy of unrestricted old growth together with new growth forestry. A policy can also reflect a number of party values, and possibly values of differing importance and centrality. Sustainable new growth forestry reflects a commitment to the environment as well as employment. Moreover, a policy might reflect one important party value very well, but be inconsistent with another similarly important
one. For example, a policy that recommends detaining and questioning terrorism suspects without legal representation may be strongly consistent with a party’s commitment to community security, but be in tension with other important party values.

Because it is not an all or nothing thing, principled integrity is not likely to be measurable in a simple and mechanical way. Rather, it will be a matter of analysis and interpretation, geared to locating a policy conceptually, within a network of intersecting and sometimes competing party values. How well a policy position reflects the values of a party will be a matter of balancing up the positive and the negative in the party values that the policy reflects, taking account of what is best judged to be their respective weights and priorities.

**Strategically Principled**

With the sense of principled justification just described, it is the expressed content of the policy that is central. But in the second of the senses noted in the dot-points above, it is the practical outcomes of a policy that count – how well, in practise, a policy is likely to contribute to the overall achievement of a party’s values and ideals compared to other available policy options. Part of what it means to be principled is to want one’s principles and values realised to the greatest extent possible, and consequently, to adopt positions or courses of action that appear to have the best prospect of achieving this. There is a sense, then, in which adopting a policy or position is principled if it has the best prospect of realising in society the party’s underlying principles and values to a greater degree than the alternatives in the circumstances. Looked at in this way, the most principled policy is the one that would *maximise the realisation* of the party’s values. Less principled policies, in this particular sense, would be ones that realise the party’s values to a lesser extent.

What it takes to realise one’s values to the greatest extent, however, is often a complex, indirect and strategic thing. Usually, the best way for a party to realise its values is for it to pursue policies that explicitly recommend outcomes which exemplify the party’s values better than other policy options. That is, to pursue policies with a high degree of principled integrity. A party’s principled commitment to unconstrained freedom of choice in economic matters, for instance, would probably best be realised through policies that recommend zero-tariffs in an unregulated market. Or consider a policy that recommends a universally accessible and state funded public system of health care, compared to an alternative policy that recommends a state subsidised private system that charges in a market-based way. For a party committed to the principle that people’s
capacity to meet their basic social needs should not depend on their capacity to pay, the former policy would have a greater degree of principled integrity. It is likely also that its successful implementation would realise those party values to a much higher degree than the alternative. As was said, though, there are complexities in seeking to realise a party’s values to the greatest degree. The next few paragraphs elaborate the more important of these complexities.

Strategically Negotiating Circumstances

Maximising party values in practise is very much subject to chance and circumstance. Politics operates in the circumstances of everyday life, and sometimes those circumstances break the seemingly natural connection between adopting a policy with the highest degree of principled integrity, and realising the party’s ideals to the greatest degree. It might turn out that, in the circumstances, the philosophically most pure party policy just cannot realistically be implemented (e.g. nationalising the means of production), and a policy of lesser principled integrity (but as close as possible) would need to be adopted instead. Or prevailing conditions might render a highly principled policy counter-productive in some way, and to such degree that a policy of lesser principled integrity would be better at realising the party’s values to the greatest degree overall. Consider again the earlier example about health. Circumstances may be such that there is already widespread and entrenched use of a state subsidised private health sector (e.g. for mostly elective treatments), and removal of that state subsidy would lead to such greatly increased pressure on the public system for elective purposes that its capacity to minister to people’s non-elective health needs would be severely undermined. In these circumstances, if a party values the servicing of health-needs, it would make strategic sense for it to opt for a less than ideal alternative, from the point of view of principled integrity, and allow the private system to stay in place, or at least to opt for a transitional change. In the less than perfect circumstances of day to day politics, sometimes the best way a party can achieve its ideals is to opt for a second-best policy from the point of view of principled integrity.

Strategically Negotiating Electoral Advantage

This last observation is especially true of another importantly strategic dimension of principled policy formation – what it might take for a party to acquire or maintain political power. Even though it has been argued that political power is not the fundamental goal for political parties, it is an essential means to what is that goal – realising in society what it values. The impact that a policy has on a party’s chances of acquiring or maintaining power—the electoral advantage or disadvantage it promises—
ought to always be an important strategic factor in a party deciding whether to pursue that policy. It would be irrational, and unprincipled in the strategic sense, for a party not to have this at the forefront of its policy deliberations. It would be self-defeating, for example, to pursue or advocate a policy or position that electorally disadvantaged the party so much that its opportunity to realise its ideals in society would be seriously undermined. This might even be the case when the potentially disadvantaging policy is highly consistent with the party’s ideals. Robert Manne illustrates this point well in his observations concerning John Hewson’s response to the ALP’s anti-protectionist policies:

An opposition to Labor’s anti-protectionist policies (in the 1980s), especially their acceleration during the recession, would have struck powerful populist chords. However, such arguments were verboten to the Liberal leadership on ideological grounds … In its commitment to economic rationalism, in its hostility to the special pleading of ‘vested interests’, … the Liberal leadership has appeared to be far more interested in theoretical purity than political power.18

Manne goes on to state that polls and surveys at the time indicated that Australians were in favour of protectionism.

A similar situation applied in the case of Arthur Calwell’s opposition to the Vietnam War. Although this opposition was consistent with ALP principles, it was inconsistent with popular opinion at the time, and it has been argued that Calwell’s position contributed to the defeat of the ALP in the 1966 election. The point of these examples is that what really matters from the strategically principled point of view is how much the pursuit of a particular policy in particular circumstances contributes to or detracts from a party’s overall capacity to realise its ideals. To be strategically principled, each policy needs to be assessed in terms of its impacts on the successful realisation of a party’s ideals overall.

Paradoxically, in the context of political power, the best way to realise one’s principles might not be to inflexibly respect them at each and every turn. As suggested, pursuing a policy of great integrity might still not serve the party’s values as much in the long run as some other less philosophically pure policy. In such cases, it makes sense to give a bit of ground here and there, to gain or keep a lot more of it elsewhere. It is rational, for instance, for the ALP to go against the grain and accede to the Private Health Insurance Rebate, or for the Coalition to support the idea of Medicare, so there is a better chance of gaining or maintaining power, to more comprehensively implement the party’s other principled commitments. Maximising the realisation of a party’s values might also mean it having to do a deal on the GST, to maintain ongoing influence on
parliamentary outcomes. Or it might mean being a small target, and not putting up a robust policy agenda to get knocked down at the next election. It might also mean a party or a leader relinquishing internal party discipline over a policy, and giving party members a free vote on an issue, to minimise the impacts of internal dissent on the party’s electoral success. Or it might mean the Greens suggesting that Green voters should instead vote for the ALP, if for instance the ALP undertakes to preserve the Tasmanian wilderness.

Electoral advantage can also be gained by adopting policy positions that electorally disadvantage one’s opponents. This is the aim of “wedge politics” – adopting policy positions on matters one’s political opponents have strongly differing views about. Inducing a divisive debate among one’s opponents has the potential to weaken their unity and effectiveness, and in turn, their electoral appeal. For example, the Coalition’s introduction in 2000 of the Sex Discrimination Amendment Act to allow the states to discriminate against single women in accessing assisted reproduction, arguably had the potential to induce a split on the issue between factional elements in the ALP. Similarly, the move by the Coalition in May 2004 to insert into the Marriage Act a specifically heterosexual definition of marriage (to exclude “gay marriages”) could be seen in terms of wedge politics. Whether or not this view about marriage is held widely in the Coalition, or follows strongly from either of the Coalition parties’ core principles, pursuing the amendment can still be considered principled in the strategic sense.

Polling and principle

One significant thing to emerge from this discussion of strategically principled justification is that polling has a legitimate place in principled politics. Shaping policy on the basis of polling and survey results is sometimes taken to be the paradigm of unprincipled politics. But to the extent that polling is an especially useful strategic tool, it can clearly serve the pursuit of principles and ideals. This is not just true of poll-guided policy – public opinion merely being factored-in along with other considerations, to develop or choose policy – but also, arguably, poll-driven policy – public opinion being the dominant factor in policy formation and selection. There may well be times and circumstances where realising a party’s values is best achieved by it pursuing policies that simply cause the electorate to see the party favourably, even when the content of those policies does not especially reflect party principles.

Once this strategic sense of principle is recognised, the distinction between “principled” and “pragmatic” or “expedient” policy is shown to be a false one. What is genuine and
relevant is the distinction between policies that are more instrumental in realising the party’s principles and values in society, and those that are less instrumental.

**Principled Defence**

Actively defending something is perhaps the most recognisable sense of “justification”. To defend a position in terms of principle is to seek to persuade or explain to people, through reasoning from principles, that it makes sense to agree with or adopt that position. A principled defence is an act of persuading or explaining on the basis of principle. The capacity to plausibly defend a policy on the basis of the party’s principles can depend very much on how consistent the content of the policy is with those principles (i.e. its degree of principled integrity).

**Principled Process**

Justification in the sense described just above is “after the fact” – where principle is appealed to in support of a policy position that has already been formed (although not necessarily adopted or implemented). This differs from a fourth sense of principled justification, according to which a policy is actively and consciously formed through a step by step process guided by considerations of principle. Typically, there are both formal and informal processes operating to shape policy in parliamentary parties, the former including policy committees, party-room meetings, the role of ministers’ offices; the latter reflecting the likes of lobby group pressures, and the preferences and pronouncements of the party leaders.

**Trade-offs, Commitment to Principle and Party Identity**

These four senses of principled justification will inevitably interact with each other, often in ways that are in tension. Perhaps the most interesting tension is the one alluded to just above, between the imperative to keep policies as faithful to party values as possible, and the strategic imperative to ensure that the policies a party pursues actually maximise the realisation of its ideals overall or in the long run, even if the content of those policies diverge from party values on occasion. The fact that in Australia there is a considerable pool of swinging voters, and the fact that not all committed party supporters will agree with everything their party endorses, both guarantee that there will be no shortage of occasions for tension between these two imperatives.

The important question, though, is how those tensions are best resolved by a party. Should principled integrity always give way to the strategic maximisation of party
values? Is a party’s principled integrity always tradeable when there is something to gain from a trade-off in the way of more party value realised in the long run? For a rational party, the answer to these questions must always be yes. Where the gain in party values realised is greater overall than the value lost in compromising the party’s principles on some occasion, then compromising them is the rational thing for a party to do.

With this said, however, there are some crucial qualifications to be made. Some principled commitments may be so deep and central to a party’s conception of its identity that it would take a very great deal for the party to act contrary to them. To say that a party’s principled integrity can be justifiably overridden, is by no means to say that it will or should be easily overridden. The greater weight that parties give to what might be their deeper or core ideals gives them a degree of “inertia”. While a party’s core ideals are not completely immovable or unbreachable, a party would have to be posed with a very considerable potential loss in the realisation of its ideals (or a substantial gain foregone), for it to undergo a compromise of its core commitments. A political party that is rational will arguably be conservative about compromising its core values, and will do so only when it has to, and to the least degree necessary to achieve the greater benefit that it anticipates from the compromise. The inertia a rational party will have about its core values might be thought of as providing a counter-balance that helps preserve the party’s identity, or what it stands for, in the face of the strategic demands and compromises forced by everyday politics and circumstance.

**Negotiating the Right Balance**

It was said above, that a rational political party will always adopt or advocate policies that maximise the overall realisation of its values for the long run, but that on some occasions this means advocating policies with content that is not very consistent with party principles. The most important skill a party can have from the point of view of principle is to be able to determine what the right thing to do is in each policy situation – to know when to advocate a policy whose content is highly principled, and when to advocate a policy of lesser principled integrity in the hope it might realise more value for the party in the end. There are dangers in erring on either side. The danger in sticking to party guns on every occasion, and being rigidly principled, is that the party may lessen its prospects of electoral success and the opportunity to realise its ideals more for the long term. The danger in not being principled enough in the policies the party advocates is perhaps more serious. A party that allows its deeper ideals to be
compromised too easily, compromises its identity, and becomes open to the charge that it stands for nothing. In speaking of the ALP and poll-driven politics Don Watson put the same point like this:

Of course, you can’t ignore the polls, but if you make yourself their dummy you will look at best characterless and silly, at worst downright craven … This is the radical consequence of poll-driven politics. You lack definition … You don’t say what you hold to, but instead, offer your take on what your audience holds to. 21

The threat to identity is arguably not just about electoral perception – that the electorate will lose sight of what is at the heart of a party that constantly shifts in its values. The potential threat is to the actual philosophical identity of a party. In failing to be sufficiently steadfast in its values, and in constantly compromising them, a party is at risk of becoming alienated from itself. Its policies no longer ring true, and its sense of commitment to something important slowly withers away.

Steering the right course between these extremes is a matter of skill and judgement. Two types of wisdom are called for. Firstly, practical wisdom – accurately discerning the character of the circumstances in which a policy is to be implemented, what practical possibilities it allows, and what the electoral and social consequences of pursuing those possibilities are. Here, making judicious use of polling and electoral information is crucial. Secondly, philosophical wisdom – knowing what it is that the party values most and how much, having a determinate sense of what values are more tradeable, which less, and under what conditions. The first wisdom is a technical one, and although the level of information and prediction required is complex, it is relatively clear what is needed. What the second wisdom requires, though – what processes and dispositions a party needs in order to know itself in the right ways – is more difficult to tie down, and is likely to depend very much on the party in question and what it traditionally looks to as the source or reference points for its values and ideals. A party where the leader traditionally plays the central role in setting the value agenda will require different things in order to know itself, compared to a party whose ideals are negotiated from a plurality of internal or external perspectives, for example.

**Principled Constraints on Parties Pursuing their Values**

It was said at the beginning that the fundamental mission of any political party is to maximise the realisation of its values and ideals in society. But does this mean that any policy or position a party puts forward, no matter what its content, is justified in principle as long as it achieves this goal? Well, in terms of the *instrumentalist* sense of principled justification being focused on here, the answer would be yes. But this is not
the only, nor primary, sense in which a policy or position can be principled or not. There is a non-instrumentalist sense, and this is connected with the likes of honesty, truth-telling and due regard for evidence – values that are commonly accepted as having “impartial” ethical weight independently of party or political perspectives. They have status as fundamental ethical constraints on party behaviour. So, even when deceiving the electorate would significantly enhance a party’s chances of realising its party political values, the imperative to tell the truth has greater weight from an independent point of view, and arguably, that imperative should normally prevail.

The same can be said about the relationship between policy and evidence. If the best available evidence and information shows that a particular policy measure will not achieve its intended goals nearly as well as another, the evidence ought normally be respected and it should not be favoured over the other. Of course, there is often controversy and disagreement about what the evidence is, or what it shows, or what force or weight it has, especially in the context of complex social issues. And it is no secret that political parties, wishing to pursue their ideals, will sometimes exploit the controversy and disagreement to that effect.

Is truth in politics ever subject to bargaining and compromise? Is it ever justified, from an impartial ethical point of view, for a party deliberately to deceive or mislead the public? While it is arguably not justified if the deception is perpetrated for the sake of the party’s interests, there may be limited circumstances where it is in the general public’s interests for the government to withhold the truth from the public (e.g. where security is directly threatened). To that extent it may be justified.

**Principle versus Pragmatism: What is the Genuine Issue?**

The foregoing analysis has sought to clarify some of the basic distinctions and conceptual terrain surrounding the idea of principled policy. That analysis was undertaken as groundwork for the proposed case-study investigation of recent policy formation in Australia’s two major parties in the context of partisan de-alignment. A case-study aimed at discerning the relative prevalence of principle and pragmatism in the parties’ policies would not get far without a credible conceptual view on where principled policy ends and pragmatic policy begins.

But the preceding analysis presents a problem for this. A key observation emerging from the analysis is that the distinction between principled and pragmatic policy turns out not to be a valid one. Pragmatically developed policy (i.e. in the sense of a party’s pursuit of its self-interest) can be principled – strategically principled. However, this
does not mean that there is no longer an issue of pragmatism and principle that can be investigated in a case study, only that the right emphasis needs to be adopted.

It was initially thought that where there is an increasing pool of swinging voters, there is a risk that the policies of competing parties’ will be less a reflection of the parties’ ideals and principles than a pragmatic reflection of what is thought necessary to win those voters over at election time. There would be pressure on parties to compromise or ignore their ideals, in other words. But as has been argued at length, not all cases where a party advocates policy in order to win voters over will be unprincipled. But still, with the increased pressure to attract swinging voters, there may come increased likelihood of strategic compromises of principle which are misjudged – where, for example, core party values are compromised in a way that puts at risk a party’s philosophical identity (as well as what it is electorally perceived as “standing for”).

In view of this, the case-study in the next chapter will seek to throw light on whether the dominant election policies of the two major Australian parties at the 2004 election maintained integrity with party principles, or whether they strategically diverged from them and, if so, whether any such divergences were potentially problematic from the point of view of the parties’ real or perceived philosophical identities.
Chapter three: The Major Parties Compared: Principle and Pragmatism in the 2004 Federal Election

The Approach to Party Comparison

Providing a comprehensive and exhaustive comparison of the principled or pragmatic basis of all policy within Australia’s two major parties is clearly beyond the compass of a monograph such as this. However, a carefully framed case-study might give an indicative portrait of the broader situation with the two parties. For a case study to be useful in this regard – if it is to throw light on the manner in which a party’s policies reflect its core values or not – then two basic matters need to be settled. Firstly, a defensible choice needs to be made as to which of the parties’ policies to focus on and compare in the case study. If the case study is to illuminate the broader situation, then the policies chosen will need to be representative in some way. Secondly, a defensible case needs to be made as to what the parties’ core ideals are in terms of which those chosen policies are to be assessed and compared. The next few sections will take up these two groundwork issues. As for the manner in which the assessments and comparisons of the case-study are to be made, as said earlier, these will ineluctably be qualitative and interpretive in nature.

Which Policy Areas to Focus on?

Which of the two parties’ policies or policy areas should be focused on in a case study to give a representative portrait of the parties’ justificatory dispositions? One possibility is to focus, for the ALP, on policy areas that are often considered traditional strengths of ideologically left parties (e.g. health, education, and welfare); and for the Liberal Party, traditional strengths of the ideological right (e.g. security, economic management and foreign affairs). Though this has some attractions, it also harbours some important drawbacks. It presupposes that the two Australian parties clearly divide in their left-right ideological positions. But those positions may not be as determinate or straightforward as might be thought. Such an approach might, therefore, end up tagging the parties with policy areas that they might not be (or be seen as) central or important to their current political mission. Arguably, this should be one of the crucial considerations – focusing on policy areas or positions that the parties themselves...
consider of greatest importance or centrality. It is likely to be in these policy areas that
the parties invest most justificatory energy, and where the dynamics of principle and
pragmatism might be more prominently within view. These policy areas could, in other
words, be viewed as best practice cases that provide a benchmark to indicate the
situation within the broader gamut of party policy. If, for example, core party values are
reflected at a moderate or low level in a party’s best practice policy areas, then that
might be taken as an indication that across most policy areas for that party, it is unlikely
that party values will be reflected more strongly. So, a case-study focusing on policy
areas that the parties consider most important might at least have some representative or
indicative potential. Of course, it is not only the degree of integrity with party
principles that we wish to assess and compare in the parties’ policies. A central interest
is the degree to which they might also reflect or promote party values in the indirect
strategic sense, and connected with this, the degree to which policies of that strategic
nature run the risk of the parties compromising their philosophical identities. The
choice of policy areas to focus on in a case-study should keep these interests strongly in
view also.

What are the policy areas or positions that Australia’s two major parties respectively
consider most important to them? Arguably, one good indicator of the priorities and
importance a party gives to its various policies is the degree of emphasis it gives to
them in its election manifesto and/or policy launch speeches. During Australian
elections, competing parties present their policies broadly under the same
circumstances of competing for office, and are faced with the task in policy launches of
prioritising the policies and positions they wish to emphasise to the public. What they
emphasise to the public in those election policy launches, is arguably a strong
indication of what they want the public to see them as standing for. Certainly, policy
launch speeches are very “interest-driven” documents, and they are targeted to
maximise a party’s chances of winning. But, for our purposes, this is a fact to be
welcomed. It can provide insight into the strategic compromises of principle, where
policy content diverges from strict adherence to party principle in the name of what
might be necessary to win the election, and thus to strategically maximising realisation
of the party’s values.

Given this, the policy areas selected for our limited scope portrait of principles and
policy, will be ones that were most emphasised in each of the Labor Party’s and Liberal
Party’s 2004 election policy launch speeches. Moreover, given that there may be
important principled differences within the one party between its economic policies and
its social policies, the case study will include policies from each of these domains.
A credible measure of the relative emphasis a speech gives to a policy is the proportion of statements in the speech that mention the policy. Of the 354 specifically policy related statements made in the ALP 2004 Campaign Launch Speech,25 by far the greatest proportion (33 per cent) was devoted to health policy. In the social domain, the next most emphasized policy area was education (14 per cent of all policy related statements). The most emphasised policy areas in the economic domain were tax policy (12 per cent) and responsible economic management (7 per cent). This suggests that, for our purposes, the dominant or flagship ALP policy areas to focus on in the social domain will be health and education, and in the economic domain, tax policy and responsible economic management.

For the Liberal Party, of the 323 policy-related statements in John Howard’s address to the Coalition campaign launch,26 by far the dominant focus in the economic policy domain was responsible economic management (22 per cent). However, apart from an emphasis on the importance of productivity and low interest rates, there was little identified in the way of specific policies or measures representing responsible economic management. Not unrelated, though, were the next most emphasised cluster of economic policy areas – tax policy (10 per cent), small business (10 per cent), and industrial relations (10 per cent). The focus when it came to small business, was on tax incentives and the freeing up of industrial relations provisions to facilitate further business entrepreneurialism. Effectively, then, the dominant policy foci in the economic domain for the Liberal Party could be argued to be tax and industrial relations. In the social domain, the greatest single policy focus was on health (13 per cent), and then school education (7 per cent), and vocational education and training (8 per cent). Altogether, this suggests that the flagship Liberal Party policies to focus on for our case-study will be tax policy and industrial relations in the economic domain, and health in the social domain.

It is notable that the policy areas that have emerged from the selection process for this case-study turn out to be very similar for both parties. Of considerable interest also, is evidence that these two policy areas were considered by non-committed voters to be important during the 2004 election campaign. Of those voters surveyed as part of the 2004 Australian Election Study who did not always vote for the same party, the highest proportion (27.8 per cent) identified Health and Medicare as the most important election issue. Education was identified by the second highest proportion (17.5 per cent), closely followed by Taxation (15.2 per cent). Of those surveyed voters who were not very strong supporters of their party (i.e. less party-committed), the highest proportion (34.1 per cent) considered Health and Medicare the most important election
issue, and the second highest proportion (19.1 per cent) nominated Taxation as the most important issue.  

In line with this, the following Liberal Party 2004 election policies will be examined:

“100% Medicare: Making GP Services More Affordable than Ever Before” (incorporating the “Medicare Plus” policy, and with reference to pharmaceutical subsidy policy)  

“Promoting an Enterprise Culture” and “Flexibility and Productivity in the Workplace”, (supplemented by “A Stronger Economy, A Stronger Australia”)  

And the following ALP 2004 election policies will be examined:

“Medicare Gold” (with reference to Dental Policy, and pharmaceutical subsidy policy)  

“Rewarding Hard Work: Labor’s Tax and Better Family Payment Plan”  

Having identified these policies as the subject matter for the case-study, it now remains to identify, for each party, the appropriate party principles and values that should be applied in assessing those policies. Not surprisingly, this will not be a straightforward matter. The next sections take up some of the complexities involved in isolating which, of the many candidate conceptions of the two parties’ fundamental values, might be the most defensible to refer to for the purposes at hand. 

**The Parties’ Core Values**

Clearly, to determine how faithfully a party’s flagship policies reflect its core ideals, and where strategic compromises might occur, we need to develop a defensible conception of what those ideals are. Some would argue, and not implausibly, that a party’s real values are the ones that are revealed in what the party actually does, rather than what it says or advocates. There is a strong sense in which that is the case. But even if it is the case, the task in this monograph is to assess the parties’ policies – what they do or undertake to do – against the ideals they *advocate*. It may well turn out that that assessment reveals there is sufficient discrepancy for us to question in the end whether the advocated ideals are the operative ones. This would be an important outcome. But it will only come to light if the assessment takes as the central indicator of a party’s core ideals and values, what the party advocates to be just that.
Australia’s two major parties are pluralist in nature. The Labor Party is known for its factions, and the Liberal Party considers itself a “broad church”, that does not seek to impose a robust conception of the best or most worthwhile life on its members. It was also noted earlier that a party’s ideals and values are not necessarily immutable, indefeasible, axiomatic and unbreachable. The fact that there may be a plurality of perhaps competing values at the heart of a party’s overall philosophical approach, means that a decision needs to be made as to which to focus on as the yard-stick for an assessment of principled justification.

David Kemp neatly sums up the nature of political party philosophies, as follows:

A political party’s philosophy is not like that of the professional philosopher. It is generally not written down at length nor is anyone charged with ensuring that it is fully coherent. Insofar as political parties can be said to have philosophies, they are amalgams of values and beliefs which are articulated in the party’s platforms and by its leaders, and appeal to various elements of the party’s base of support.

For the purposes of constructing our case-study, the appropriate core values will be identified through certain “authority texts” that the parties themselves take as expressive of their principled goals or perspective. The texts will include the parties’ platform statements, as well as extended statements of the party leaders or party authority figures that are specifically devoted to characterising their parties’ basic philosophical positions. Through these it may be possible to pin down the plurality of values and ideals within a party’s philosophical repertoire that are especially privileged, and contemporary in a way that makes them applicable in the context of the 2004 election.

**Liberal Party Core Values**

There is no shortage of commentary and historical scholarship on the philosophical perspectives that have informed the activities and approach of the Liberal Party since its inception. It would be safe to say that those philosophical perspectives mostly fall within the scope of small “l” liberalism. Conspicuously, though, the Liberal Party has not been philosophically uniform throughout its history. The Liberal Party under Hewson, for example, was different in certain ways from the Liberal Party under Menzies, and Fraser’s Liberal Party was not exactly the same as Howard’s. Liberal leaders play a significant role in setting the philosophical emphasis and agenda of that party, and under different leaderships the Liberal Party has embraced different aspects and emphases within liberalism. Even within the reign of a single leadership, the emphasis may shift. This suggests that a good source of authority texts for the Liberal
Party’s current philosophical positions will be certain speeches made by its current leader John Howard, which are expressly intended to outline that party’s values.

Since 1995, John Howard has made a number of key speeches directly relating to the guiding principles and values of the Liberal Party. Though there have been changes in the manner and the metaphors Howard has employed since 1995, there have been four basic themes that have consistently typified the political ideals he has avowed – economic liberalism, social conservatism, populism, and a commitment to the devolution of decision-making and responsibility away from the state toward individuals and civil society. On face value, some of these themes are conceptually in tension, particularly liberalism and conservatism. All of the themes, however, are interlinked, and teasing out the linkages and priorities between them can serve to reveal how they might act in consort. Indeed, this prioritising is necessary if we are to identify what might defensibly be considered the core values and imperatives driving John Howard’s Liberal Party. The contention, defended shortly, is that the fundamental and driving theme among the four is the last theme concerning devolution. It is arguably in terms of this theme that the other seemingly incompatible themes can be sensibly brought together. Moreover it can be argued that it is this theme that forms the central philosophical parameter along which the Liberal Party and the ALP currently differ.

**Economic Liberalism**

It is widely agreed that John Howard is economically liberal. John Howard consistently takes himself, and the Liberal Party under his leadership, to be that. Howard’s economic liberalism has been expressed (since 1995) in terms of expanding and enhancing individual liberty and opportunity in and via the marketplace, providing incentives for individuals to take risks and display business entrepreneurialism, promoting financial deregulation, competition and privatisation, encouraging the decentralisation of economic enterprises, the importance of economic growth as a provider of enhanced opportunities, and people’s right to choose and voluntarily negotiate their individual workplace arrangements.

While the economic liberalism of John Hewson (under the policy direction of *Fightback!*!) was more libertarian and laissez faire, Howard tempers his economic liberalism with the importance of a government provided safety-net, a “leg-up” or what he has more recently come to describe as ensuring a “fair go” for all. Modern liberalism, according to Howard, must be concerned not just with economic efficiency, but also equity and fairness and caring. Howard sees this as a consistent feature of Australian liberalism since Menzies, and cites the development since Menzies’
leadership, of the social security safety-net, child endowment, health services and pharmaceutical benefits, and age pensions.

Social Conservatism

The socially conservative element in Howard’s liberalism is also prominent. Howard takes the defining feature of Liberal Party philosophy to be its blending of classical liberalism and conservatism. The social conservatism it adopts is an amalgam of a number of imperatives, including: the preservation of those traditions and characteristics of the past that remain relevant to the present and serve the national interest; retaining institutions and practises that serve the best interests of the community; strengthening Australia’s sense of community by redirecting the policy focus to what unites and binds Australians rather than ways in which they are different; engendering a sense of common purpose and community cooperation; and strengthening the importance of the traditional family in policy making.

Populism

Closely connected with this social conservatism in Howard’s liberalism, is its element of “populism”. Rather than populism being a totally distinct philosophical theme, it tends to have more the character of a prominent dimension of the other three. Howard’s liberalism can be seen as populist in a number of respects. It takes its decision-making not to be ideologically based, but sourced in elements of the Australian “national character”. The values that the Liberal Party stands for, according to Howard, come from the community itself, rather than being imposed from outside it. According to Howard, the Liberal Government (between 1996 and 2000) has succeeded in creating a correlation between the principles, priorities and aspirations of ordinary Australians, and the Government’s own policy development framework. Liberal Party policy is also seen by Howard not as being driven by prominent or sectional interest groups, but as being responsive to the broad Australian mainstream. Liberal Party decision-making is seen as drawing on the numerous community-based organisations that are the natural expression of neighbourhood. The liberalism of Howard is therefore populist in two senses – its decision-making purports to be based on shared community values, and its decisions purport to reflect the interests of the “middle” Australian community. Populism in these respects can be seen as an expression of economic liberalism (responding to free choice and not imposing a particular way of life); as reflecting social conservatism (acts to reinforce the social role and efficacy of middle Australia);
Devolution and Decentralisation

The devolution theme in Howard’s brand of liberalism has perhaps been the most persistent one since 1995. There has, however, been a shift in the way this theme has been expressed between 1995 and more recently. Where, in 1995 and 1996, Howard spoke of devolution and decentralisation in the terminology of “strategic and limited” government, he has more recently spoken in terms of the importance of individual self-reliance, mutual obligation, people taking responsibility for themselves and their families, and citizens forming social coalitions and “pulling together as a community”. The message has remained the same – that more of what was considered within the purview of state action and government responsibility (by way of service provision) becomes the responsibility of individuals and voluntary associations interacting in the private and civil domain. The emphasis in this message has shifted, however – from the contraction of state and public sector responsibilities, to the expansion of individual and private sphere obligations.

The theme of decentralisation/devolution is driven by the values of civic responsibility in public life, and the importance of a sense of community in Australian life. Much of the Howard agenda toward voluntarism, community-business partnerships, philanthropy, localised community-based service provision, and community “capacity-building” initiatives, can be seen as expanding the role of civil society in providing those services, social goods and needs that are often seen as the responsibility of the state. The role of government, according to Howard’s liberalism, is to foster the community conditions to allow individuals, through their communities and families, to help themselves. The role of government is not to always help individuals directly. Indeed, Howard has said that the only real freedom is the brave acceptance of unclouded individual responsibility.

Unifying the Philosophical Themes in Howard’s Liberalism

On the face of it, there are tensions between some of these themes. The most obvious is the incompatibility between Howard’s liberalism and his conservatism – between the importance he accords to individuals’ free choice, but also to government actively maintaining certain values, traditions and ways of living (regardless of whether individuals all hold those values or prefer those traditional institutions and ways of life). It is true that Howard wants to confine the conservatism to the social sphere, and
the liberalism to the economic, but it is not immediately clear that that is easily done from a conceptual point of view. Individual freedom is important in the economic market presumably because it is paramount for people to be able to pursue their own preferences in line with their individual values. Why are individuals’ chosen values, regardless of tradition, not similarly paramount in the social sphere? Moreover, it is not clear that the division between the social and the economic spheres of personal activity is sufficiently sharp to simultaneously support philosophical commitments as distinct as liberalism and conservatism.

So, is John Howard a liberal or a conservative, and is he mistaken in thinking the Liberal Party of Australia can be both? If we are to discern the core values of the Liberal Party, these questions need to be answered. It is implausible to suppose that liberalism and conservatism can simultaneously and equally feature as fundamental Liberal Party values. But this does not mean that they could not co-exist if they could both be shown to be central dimensions of another, deeper philosophical commitment in Howard’s liberalism. It will be held here that this is indeed the case, and that a qualified economic liberalism and a qualified social conservatism are both instrumental to devolving responsibility for people’s well-being and opportunities away from the centralised “collective” of the state and public sector, toward individuals and civil society. In fact, reconciling these apparently disparate themes in this way is the best way of rendering Howard’s liberalism as philosophically unified and coherent. Moreover, adopting that view might throw some light on the basic respects in which the Liberal Party and the ALP differ philosophically.

What is being devolved or decentralised in Howard’s devolutionist program is the responsibility for ministering to individuals’ social and personal well-being. That responsibility is to be shifted away from government and toward individuals and the civil sector. According to Howard, the role of government in this devolutionist program is ideally to ensure that the basic social, political and market conditions prevail that make possible this assuming of civil and individual responsibility, and no more. In other words, the role of government is merely to capacitate. To fully achieve the devolutionist goal, that capacity building needs to be comprehensive and strategic, and encompass both the social and economic domains. However, it need not encompass each in the same way. Capacity-building may warrant intervention in one domain, but non-intervention in the other.

This is arguably the case in Howard’s liberalism. If individuals are to effectively assume more responsibility for their well-being and life outcomes, they need to be
sufficiently resourced. This argues for measures that maximise wealth and the availability to individuals of material resources. In other words, an efficient and productive economic market. A capacity-building government might then opt for two things. Firstly, it would likely opt for minimal or no government intervention in the economic domain, to free it up, in the hope of enabling individuals to take initiative and assume risks, in turn increasing the range of economic choices and efficient, market productive outcomes. Secondly, it would endorse an economic safety-net to ensure a minimal level of well-being for those who cannot, due to circumstance, ensure it themselves.

Civil society is another domain within which there are resources for individuals to more effectively assume responsibility for their well-being. Howard emphasises, throughout, the importance of people assisting each other through the medium of the various voluntary associations in civil society that they can form and participate in. Voluntarism, local community or “neighbourhood” action, and community-partnerships are recurrent motifs in Howard’s approach to government. But if the interactions and associations of civil society are to play this supportive role effectively, civil society needs to be a sufficiently stable and predictable forum for individuals to engage with each other in an enduring way.

This suggests that capacity building in the social sphere, unlike the economic market, might call for government interventions of certain sorts – interventions that either reinforce (or prevent challenges to) the traditions, institutions, shared life and common values, goals and purposes that help to bind, and give identity to, the mainstream Australian community. In other words, to emphasise in policy or in rhetoric, the things about social life and civil society that unite rather than highlight differences between citizens. Understood like this, capacitating civil society is a matter of strengthening civic bonds, commonalities and continuities. And, as mentioned, this may entail government policies and approaches that promote traditional values (e.g. the primacy of the family unit), or defeating challenges to tradition (e.g. as with gay marriage or assisted reproduction for lesbian women), or emphasising the policy importance of circumstances and events that mobilise social dispositions to unity (e.g. terrorism and threats to border security). Populist policy formation can indirectly play a role, as well, to the extent that it allows government to present itself as a reflector, and reinforcer, of something like the general will, or the common voice.40

Once the goal of devolution is seen as primary and fundamental in Howard’s philosophy, the other two seemingly antithetical goals of (qualified) non-intervention in
the economic sphere and (qualified) intervention in the social sphere, can be reconciled with each other. Economic liberalism and social conservatism are central to Howard’s conception of Liberal Party commitments not as somehow coexistent, fundamental values, but as necessary conditions for effective devolution, each targeted to the different sorts of capacity that devolution requires in different spheres of life.

**Getting the Right Mix – Some Critical Reflections**

**Balancing the Liberal and the Conservative Strategies**

None of this changes the fact that Howard’s economic liberalism and social conservatism are still in tension, even if they do aim to serve the same fundamental goal. This means each can defeat the other if they are not pursued in the right balance. Promoting individuals’ freedom in the market, although it may be efficient, resource maximising and capacity-building, inevitably disposes individuals to pursue their personal values and choices in the social sphere. And those personal values and choices may be ones that do not conform to the social continuities, institutions and traditions that a social conservative like Howard might see as essential to social unity. They may, on the contrary, contribute to strengthening those differentiating “identity groups” and “special interest groups” (based on ethnicity, sexual preference, social class, etc.) that Howard’s brand of social conservatism rejects as socially divisive. Or else, they may act to undermine “common” social values and traditional stabilising institutions, as, say, gay marriage and lesbian access to IVF might with regard to the traditional nuclear family.

Similarly, the active state promotion and sponsorship of traditional social norms has the capacity to restrict the “openness” of the economic market. Promoting the traditional family and maternal carer, may limit who can enter the market, and how much in the way of personal resources individuals can accrue in order to be “self-supportive”.

Checking and moderating the impacts of the liberal strategy against the conservative will be an ongoing and difficult task. There is danger also of confusing the electorate, which may come to see freedom and choice as values extolled in the one domain of life, but down-played at significant points in the other domain. Negotiating this potential confusion would call for careful and targeted political communication.
Collective Responsibility versus Civic and Individual Responsibility – Where Does John Howard Draw the Line?

Devolution of obligations and responsibilities away from the public sphere and toward the private, is something that occurs on a continuum, as a matter of degree. There can be more or less of it. Clearly, from what has been argued just above, John Howard appears to conceive the current mission of the Liberal Party to be that of bringing about more devolution. But how much more? At what point, in John Howard’s conception of good politics, is it no longer justified to expect individuals, or the supportive “neighbourhood” associations they might form in civil society, to bear responsibility for their own well-being? Up to what point, and in what conditions and circumstances, should the state accept responsibility for its citizens’ wellbeing?

Howard does say some things that give an indication of this. For example, the state is obliged to provide a safety-net, a “leg-up”, for those who need it. There is an obligation on government to ensure that all have a “fair go”, an equal opportunity:

We want a united Australia, proud of its distinctive identity and history in which all Australians, irrespective of social background, ethnic heritage, religion or nationality have an equal opportunity to achieve what they might want for themselves and their families.

Little of any systematic nature, however, is said about what Howard’s conception of an appropriate safety-net, or equal opportunity is. Even less is said as to why these responsibilities should be collective ones, discharged through the agency of the state.

The upshot of this is that even if the apparently conflicting political themes in Howard’s Liberal Party philosophy can be woven together by taking devolution as its underlying and primary philosophical goal, it is still relatively unexpressed as to just what degree of devolution is justifiable, and what the justification for that degree consists in.

A Deeper Theoretical Basis?

As has been argued, Howard’s economic liberalism and his social conservatism are means of realising the more basic decentralist/devolutionist ideal. This, though, still leaves open the question of what fundamental political perspective that decentralist ideal is pursued in the name of. Does Howard hold that the relation between state and society should be one of devolution and decentralisation because he sees this as required by basic liberal political principles, or as required by basic conservative
political principles? The truth is, elements of both philosophical liberalism and philosophical conservatism support the idea of the non-interventionist state. It can be seen as an implication of the view that individual freedom or autonomy is the paramount political ideal, and control over individuals’ lives should ultimately be theirs. Or devolution to the civil sector, and the capacitation of its unifying “neighbourhood” associations, can be seen as a reflection of the conservative communitarian view that the true source and moral “authority” of individual’s choices resides in the communities they inhabit. Little, if anything, that Howard says throws light on this important question. And indeed, the unresolved issue of where the line should be drawn between collective and individual responsibility, is symptomatic of the absence of this deeper theorising.

Assessing “flagship” Liberal Policies Against these Core Liberal Ideals

Are the key election policies most emphasised by the Liberal Party in its 2004 election campaign launch consistent with this devolutionist ideal, or what might be required in either the social or economic domains to facilitate it?

The Liberal’s 2004 Health Policy

To a significant extent, the 2004 election was perceived by both of the competing major parties as turning on issues of health, education and economic management (particularly tax policy). The issues in the health area were primarily focused on Medicare and declining bulk-billing rates, and to some extent, pharmaceutical subsidies. The health policies of both parties reflect this focus.

What might be expected in health policy from a party committed to small government and the devolution of responsibility to individuals and civil society? Arguably, it would be expected that there would be a tendency toward decreased (or at least, not increased) commitment on the part of government to subsidise the costs of people’s health care, and an increased commitment to individuals themselves paying their own costs. Some existing elements of the Howard Government’s long term health strategy – namely, its sponsorship of private health insurance, and its policy to increase the patient co-payment for pharmaceutical benefits – are very consistent with these expectations. However, when it comes to its specific 2004 election policies concerning Medicare, there is significantly less consistency.
"100% Medicare: Making GP Services More Affordable than Ever Before"

The original purpose of Medicare was to ensure as much as possible that a person’s access to medical care did not depend on his or her capacity to pay. The availability of bulk-billing plays an important role in Medicare achieving this purpose. In the years preceding the 2004 election, however, there had been a consistent decline in the rate at which services were bulk-billed, particularly among GPs. Correspondingly, there had been an increase in patient-billed services, where patients were asked to contribute an “out of pocket” payment for their medical services.

The avowed thrust of the Liberal Party 100% Medicare policy measure, which incorporated parts of the Strengthening Medicare strategy announced earlier in 2003–04 (including “Medicare Plus” and other incentive measures to encourage GPs to bulk-bill), was to stem the decline in bulk-billing rates, and to also reduce the corresponding rise in patients’ out-of-pocket costs. The two central components of that policy that are perhaps of most interest to the issue of principled justification were its creation of a new “concessional safety-net” for out of pocket costs (as part of the “Medicare Plus” measure), and its raising of the Medicare rebate for all GP services from 75 per cent or 85 per cent to 100 per cent (whether the service is bulk-billed or not).

It should be observed straight off, that the idea of a state-based social insurance scheme where health risks are pooled and the state acts as insurer, does not fit easily with the devolutionist push in current Liberal Party philosophy. Certainly a health-care “safety-net” arrangement is consistent with that approach, but Medicare is more than that, given its subsidies are available to all, regardless of their independent capacity to pay.

One possible explanation for this ongoing endorsement of Medicare is the Liberal Party’s recognition that it is a solidly established feature of Australia’s institutional landscape, and is generally accepted by Australians of all political persuasions. Arguing against it now would be an electoral liability, (although that may not have been as true in the early days of Medibank or Medicare, when there was opposition to it from within the Liberal Party.) This acceptance of the status quo, however, does not explain the two central elements of the Liberal Party’s 2004 Medicare policy which seem most incompatible with the party’s devolutionist, privatising theme.

The proposal to increase the Medicare rebate to 100 per cent of the scheduled fee reduces the need for the “users” of the health insurance scheme to pay. Those users include doctors as well as patients. When 100 per cent of the scheduled fee is covered by Medicare for bulk-billed services, doctors do not have to absorb (i.e. pay) any
balance of the fee, as they would have under the previous arrangements where only 75 per cent or 85 per cent of the fee was covered by Medicare. Similarly, whereas previously, if a service was not bulk-billed, patients had to pay the remainder of the asked fee. Under 100% Medicare, they would only have to pay what the doctor charges over the scheduled fee, which would typically be less than under the previous arrangements. In both cases, the users pay less, and more is paid collectively, through the agency of the state. A situation that seems quite inconsistent with the “user-pays” thread in devolutionist politics.

This philosophical inconsistency becomes even more pronounced in relation to the proposal to introduce a safety-net for out of pocket costs for concessional patients (i.e. those who are welfare recipients). There is no doubt that the notion of a safety-net is central to the “capacity building” dimensions of Liberal Party devolutionism. Those who are unable to afford those costs should have the “leg-up” John Howard speaks of. But clearly, only when they need it. The data and evidence existing at the time indicated that there may not have been any need for such a new safety-net, and that concessional patients were not at any greater risk of high out of pocket costs than general patients.

Proposing a separate concessional safety-net with a lower threshold than for general patients presumably reflected a view that concessional patients were at a higher risk of being faced with unaffordable medical costs than general patients. There are three possible ways in which this risk might be higher:

Concessional patients were more likely than general patients to access services that are not bulk-billed (and have to pay out of pocket costs). The evidence, however, suggested that GP bulk-billing rates did not vary greatly between different income groups. Concessional patients accessed a higher number of medical services than general patients. There was little data comparing services accessed by concessional and non-concessional patients. However, a proxy measure of medical services accessed by over 65 year olds does not support the contention that concessional patients accessed more services than non-concessional.

The same level of out of pocket costs would have been less affordable for concessional patients than for non-concessional. It is generally the case that concession card holders have less disposable income, and the same out of pocket costs for them will be a higher proportion of their income than for non-concession card holders. With this said, however, concessional patients are, on average, charged less for services than non-
concessional, and the rate of increase in average patient payments was less for concessional patients than non-concessional between 1996–97 and 2002–03.\textsuperscript{45}

The available evidence, therefore, did not support the need for a concessional safety-net. That evidence, moreover, was departmentally held, public or publicised (through Senate Estimates hearings) and openly available to the Health Minister at the time the Liberal Party developed its Medicare policy. The upshot of this is that the Liberal Party, in the case of its Medicare policy in the 2004 election, acted contrary to its avowed political ideals, even when this involved measures that were not supported by the best available evidence. The push away from the party’s core ideals in this case, must have had a strong motivation.

What might that motivation have been? One likely explanation revolves around the fact that the situation with Medicare was a primary focus of inter-party competition in the 2004 election. For the Liberal Party, that competition could arguably have taken two forms. The first option would have been to have maintained integrity to its principles of devolution and user-pays, and to have decided not to support Medicare. However, given the popular support for Medicare, that option would likely have led to significant electoral loss. The other option was to recognise the popularity that the health insurance scheme had, acknowledge that declining bulk-billing had come to reflect poorly on the government’s health-management, and to compete with the ALP on its own ground by seeking to do better what the ALP presents itself as doing well. Of these two options, it could be argued that the Liberal Party opted for the latter because it sought to maximise its electoral advantage.

Harking back to the conceptual distinctions made earlier, this suggests that the Liberal Party made a strategically principled trade-off. It may have decided that to act with strict integrity to its devolutionist principles in this instance would have been to create a very serious impediment to winning the election, and to maximising the realisation of its ideals overall (including in other key areas such as industrial relations, security and education). Given the pivotal role of Medicare issues in the election, the choice for the Liberal Party was to stick to its user pays principles in health, and jeopardise the election (and the broader realisation of its ideals), or to avoid that serious potential loss and reconcile to acting against the grain in the case of Medicare. In doing the latter, the Liberal Party arguably acted in a strategically principled way.\textsuperscript{46}
The Pharmaceutical Benefits Scheme (PBS) Co-payment Rise?

While this strategic approach may have made sense, another quite similar high profile aspect of Liberal Party health policy was not pursued in the same strategic vein, but strongly in line with the party’s devolutionist principles. This was the case of the Liberal Party’s proposal to increase the patient co-payment for medicines subsidised under the PBS. This proposal was very consistent with the “user-pays” dimension of devolutionism, and the Liberal Party’s adherence to it can be seen as a strong example of integrity to its principles.

But strangely, this policy issue shared some of the key characteristics that argued for a strategic approach in the case of Medicare. As with health-care subsidised under Medicare, the heavy subsidisation of medicines under the PBS was a well-established and broadly popular arrangement. There was considerable public and political opposition to the idea of increasing the share of costs paid by individual patients, and decreasing that paid collectively through the state. From a strategic point of view, it was reasonable to suppose there were significant electoral risks in sticking to principle and pushing for a co-payment increase. Moreover, that increase was not strongly warranted by the evidence, contrary to what was portrayed by the Coalition Government. The Government had consistently publicised, as its justification for the rise, that the cost of the PBS to the Government (i.e. to society collectively) had been rising at an average annual rate of around 14 per cent over the previous decade and would continue to do so, if left unchecked. However, a closer look at the cost trends for the PBS over this period suggest that that average was high due to a glitch during 1999–2000, and also that the future rate of increase could be expected to be significantly lower. In view of this – again information available to the Minister through the Department – one might have expected a less aggressive push for a co-payment rise (i.e. a push for a smaller rise), especially in view of the possible electoral impacts that may have eventuated.

The important point to emerge from this is that, in the context of very similar policy options under similar background conditions, the Liberal Party acted inconsistently when it came to pursuing its core values. In the one case, the Liberal Party saw it as important to forego strict adherence to its core values in order to strategically maximise them overall. But in the very similar other case, it saw it as more important to stick to its principles at the risk of jeopardising its potential electoral success and strategically maximising achievement of its ideals overall. It is not clear why the two policy cases
were treated differently – why, with one, the core principle of “user-pays” was paramount, but with the other very similar issue, that principle was tradeable.

The Liberal’s 2004 Tax, Industrial Relations, and Small Business Policies

While the Liberal Party’s 2004 election flagship social policy diverged from the party’s core philosophical commitments in various ways, this is not so with its flagship economic policies.

The Liberal Party’s small business policy was very much devolutionist in thrust. Its two components – increasing the resources to small businesses via tax reductions and discounts, and reducing regulatory burdens on small business – were a reflection of the devolutionist commitment to capacitate the civil and private spheres so that individuals could exercise their freedom and take responsibility for their well-being. Business entrepreneurialism is highly consistent with themes of private and civil responsibility and individualism central to Howard’s devolutionist approach.

The situation was similar with the Howard Government’s workplace and industrial relations measures. Those measures again reflected John Howard’s commitment to business entrepreneurialism and individual initiative in the domain of civil society. Elements in the policy that related to standardising and reducing the complexity of awards and regulations, and providing for mediation to resolve workplace disputes, all strongly reflected a push away from centralised oversight and regulation of the workplace. Consonant with this, and the perceived importance of individual choice and responsibility, was the policy’s reinforcement of individually negotiated Australian Workplace Agreements as an alternative to collective agreements. Throughout the policy, the rationale given for devolving workplace discretion and responsibility away from the state and toward the civil and private domain, was that this would increase efficiency, productivity and, in turn, living standards.

The Liberal Party’s tax policy has consistently been one of tax cuts, reflecting the view that resources are most effectively used in private hands, and that individuals ought to benefit as much as possible from their initiative and enterprise.

How the Liberal Party Measures Up

Keeping in mind that this brief survey of policy is a snapshot, the impression emerges that when it comes to its flagship economic policies, the Liberal Party was very faithful
to its avowed ideals and principled commitments, with few if any strategic trade-offs being made. In the social domain, however, this principled integrity was less apparent. Although Medicare policy did not exhaust the Liberal Party’s social policies, it was nonetheless high profile, and in its detail, the thrust appeared directly contrary to the party’s core values. As was suggested, perhaps the most charitable way to explain this is in terms of inter-party competition and the party acting in a strategically principled way. It is also true that another key element of the Liberal Party’s health policy strategy – its private health insurance incentives and rebate – was heavily consistent with devolutionist principles. So, taking health policy more broadly, it was not as unfaithful to principled integrity as the Medicare component of it.

With this said, however, the running together of inconsistent value perspectives in the one policy area ran the risk of confusing the message the party wanted to convey about its values. Even when strategic considerations were factored in to make sense of this, a further inconsistency in approach came to the fore – the Liberal Party’s policy on pharmaceutical subsidies and co-payment increases. The very factors that may have pressed for a strategic approach to principle in the Medicare case, all applied in the case of the party’s proposed co-payment rise. But a similar strategically principled approach in that case was not adopted, and the party strictly adhered to its core values.

As was said, the analysis here is brief, and the range of social policies analysed is limited. But, they were nonetheless policies at the centre of competition between the parties, and on which a lot of attention may have been focused by those interested in discerning and differentiating value differences between the parties at election time. The impression has emerged here that the Liberal Party did not do as good a job as it might have in communicating what it stood for with these most prominent of its social policies.

These internal value inconsistencies in the social policy area could have been due to a range of possible factors. For example, polling information available to the party may have indicated that the electorate was tolerant to PBS co-payment rises, but less so to the then current state of Medicare out-of-pocket costs. But there is another possibility – one connected with the observation made earlier that Liberal Party values are unclear on when a citizen’s well-being is their own responsibility, and when it is the responsibility of society collectively through the state. The Liberal Party drew that line differently in the case of citizens’ out-of-pocket costs for medical treatment, and their out-of-pocket costs for medicines. Moreover, in the absence of a determinate conception of what costs are the individual’s responsibility, and what are society’s
collectively, there will be no determinate way of deciding what is being lost and what is being gained by way of party values when the party makes strategic trade-offs such as the one conjectured above with Medicare.

**Labor Party Core Values**

There has been considerable debate, reflection and energy spent by the Labor Party in recent years on how best to refine, re-define or reinvigorate its philosophical identity. That sort of activity, along with changes of leadership and rumours of change, is not unique for a political party that has been out of power for some time, after having a long run in government. The Liberal Party underwent similar experiences in the 1980s after losing power to Hawke’s ALP. Recently, the Labor Party has undergone a review of its policies (conducted internally by Jenny Macklin), as well as an external review of party structure, conducted by Bob Hawke and Neville Wran. There have also been calls for further diagnosis of party policy in the wake of the Labor Party’s defeat at the 2004 election.

This indicates that the Labor Party’s principled commitments are in a transitional condition. Moreover, even within the one set of commitments, different emphases and priorities may be endorsed by different factions within Labor. With this said, however, the Labor Party does have a substantially sized party platform in which it expressly documents its values and principled commitments. Also, both before and immediately after the 2004 election, the then Labor leader Mark Latham made a number of key speeches which indicate where the Labor Party saw its principled commitments around the time of that election. Both of these sources will be relied on here to discern a conception of the core values that the Labor Party generally endorsed at the time.

**The ALP Platform Statement**

It does not take long to recognise that there are intersections and points of overlap between the values and principled commitments expressed by the Labor Party in its current Party Platform document, and those endorsed by the Liberal Party under John Howard’s leadership. The Labor Party endorses the standard small “l” liberal commitment to the freedom of individuals, and equal opportunity to social benefits, for instance, as well as the opportunity for individuals to reach their full potential – all of which have a strong presence in Liberal Party philosophy. Similarly, the Labor Party, along with the Liberal Party, expresses a commitment to a strong and productive economy, to ministering to those in need through state provision of welfare, to the role
of the community, the private sector and the associations of civil society in achieving important goals and outcomes, as well as government-community partnerships.

While the Labor Party embraces these same ideals of equality, individual freedom, self-development, individual initiative, individual responsibility, and civil associations and community partnerships, it differs from the Liberal Party in a number of important ways. Firstly, it does not attach the same relative priorities to these ideals as the Liberal Party. While the Liberal Party gives primary importance to the place of the private sector and civil associations, the Labor Party Platform statement ranks these as seventh in importance, after the likes of fairness, freedom, compassion and democratic participation. Similarly, Labor gives first importance to the state provision of welfare and caring for the needy, while the Liberal Party does not treat the safety-net as its first priority. Secondly, the Labor Party sees a central role for the state in maintaining certain social outcomes or ongoing social conditions, while the Liberal Party sees the role of the state largely in terms of setting in place certain initial “baseline” conditions for citizens to have the same opportunity to engage in social life. The Labor Party, for example, sees certain outcomes as important (e.g. an equitable distribution of wealth, income and status; that the benefits of productivity are not concentrated in the hands of the few). It also sees as important the ongoing participation of citizens in social decision-making, and workers in workplace decisions. These sorts of outcomes require government to play an ongoing monitoring, interventionist and re-distributive role. The emphasis for the Liberal Party, on the other hand, is on ensuring basic “initial conditions”, namely, resources and capacities on the part of individuals and civil society, so that responsibilities for social and personal outcomes can be effectively devolved from the collective public sphere to the private civil sphere.

Though there are other differences between the Liberal Party’s values and the Labor Party’s commitments and priorities as expressed in the party platform, the central dimension along which they differ can be characterised in terms of the relative role in politics and society of the state or public domain and the individual or private domain. While the devolutionism of the Liberal Party commits it to according government less and less a role, Labor’s platform sees the state as having a much more robust and active part to play. For Labor, the state is essential in sponsoring and coordinating social programs to achieve and maintain fairness, and ratifying and enforcing the entitlements of workers to collectively participate in workplace decision-making. For Labor, the state and its institutions are also essential for citizens to equitably and effectively participate in decisions that affect social outcomes, and to participate in the benefits of national prosperity and economic productivity. Even when the Labor Party, in its 2004
platform, notes the importance of civil society and community organisations in building a sense of community and serving people’s needs, this is still seen in partnership with the state.

The View Latham had of Labor’s Values

The Platform statement accorded special importance to the role of government in achieving a more equitable distribution of wealth, income and status, and a secondary, more supplementary role for the community and private sector in serving social needs and goals (and even then, only in partnership with government). However, the party “vision and values” speeches by Mark Latham just before the 2004 election and immediately after it, provide a different emphasis in relation to these themes. While “fairness” for the Platform meant equal opportunity and equitable distributions of wealth and status, for Latham a “fair society” was one in which government helps out people willing to help themselves. Hard work, reward for effort – individuals taking some responsibility for their life outcomes – were strong features of Latham’s “ladder of opportunity” views. These are less prominent in the party Platform. This is not to suggest that the “social investment” role of government was not present in Latham’s portrayal. It was. But the emphasis was weighted toward equalising people’s life opportunities (via e.g. early childhood education, secondary and tertiary education, etc), and resourcing families and capacitating communities (e.g. public housing) for them to be in a position to “care”. Latham’s vision of the Labor way was to “build that powerful combination of hard work, good families and communities, and the collective civilising role of government”. While the party Platform shared elements with the principled commitments of Howard’s Liberal Party, those commitments – especially their devolutionist flavour – echoed more strongly in the Laborism depicted by Latham. For Latham’s Labor Party, fair and just life outcomes for people were those that emerged from individual initiative and responsibility, exercised in the context of an equal life start for all and an effective private and civil sector. The role of government was to coordinate the equal start and capacitate the civil sector to allow people to be more fully and effectively “self-reliant”, an agenda familiar from Howard’s Liberalism. Latham’s Laborism diverged from party platform Laborism in the stronger emphasis it placed on individual and civic responsibility for individuals’ well-being and life outcomes.

This emphasis is even more pronounced in Latham’s post-election analysis of what he took to be Labor’s need to revitalise and modernise itself, especially with respect to economic management. The central thrust of Latham’s view here was the need for
Labor to base its economic strategy on economic flexibility, enterprise and upward mobility. It needed to recognise that working life had become decentralised in the sense that individual workers were more entrepreneurial and self-reliant, and increasingly geared to small business enterprise. Inequality was still a central concern for the Labor Party, but Latham claimed that “it is inappropriate to tackle inequality by levelling down economic success, by punishing the successful to make the less successful feel better”. What was needed instead, were enterprise, creativity and entrepreneurialism fuelled by skills and education, and a “rising tide of economic growth” based on increased productivity and competition in an inclusive economy. For Latham, social justice was upward mobility for all – meeting the aspirations of the middle class while providing life opportunities for the poor. Reminiscent of the Howard devolutionist agenda of government capacitation of the private sector, Latham claimed that “the role of the modern Labor Party is to establish fair market rules – to empower workers, contractors and entrepreneurs to do more for themselves”. And all of this was to be underpinned by “surplus budgets, a lean public sector and downward pressure on interest rates.” This was what Latham described as “upward mobility all-round”.

There was a distinct devolutionist thrust in the economic strategy Latham proposed for Labor, with government providing the background conditions and opportunities for individuals to thereafter assume responsibility for their life’s economic outcomes. On this economic picture, individuals and the state would share responsibility for individuals’ economic outcomes. And individuals’ wealth (privately acquired resources) should not be unduly appropriated (through extensive redistribution/high tax rates) by the state, for public use. There was a move away in emphasis from the re-distributive thrust of the party platform, and earlier interpretations and emphases of Labor values.

When it comes to social policy strategy, however, what Latham proposed for Labor was more in line with the emphasis of the party Platform, and less devolutionist. It endorsed the public provision of universal access to the likes of e.g. health services and educational opportunities to all, along with the public provision of whatever social and economic programs might be needed from time to time to facilitate the goals of “economic aspiration” (climbing the ladder of opportunity), and the avoidance of poverty traps. By public provision was meant public payment, and not necessarily centralised delivery of programs and services by government. Latham, like Howard’s Liberals, advocated the decentralisation of social (and other) service delivery from the state to the civil sector. This “outsourcing” of service delivery – where government pays for services provided by the private sector with its existing service infrastructure,
was in keeping with the goal of a “lean public sector”. Latham described this harnessing of private sector resources for progressive public purposes as an efficient way of achieving equity goals. Unlike Howard’s Liberalism, however, this did not mean devolving to the civil or private sector or to individuals, the responsibility for sharing the costs of social service provision. Social programs for the public benefit are still paid for collectively by the state.

In summary then, the Labor Party in the context of the 2004 federal election, tended toward being economically liberal and individualist and socially collectivist. Outcomes in the economic domain – the distribution of wealth and income – were to be a shared responsibility between individuals and society collectively. Outcomes in the domain of social needs, however, were primarily a social responsibility, to be assumed by the agency of the state, and in turn, society collectively.

**Measuring Labor’s “Flagship” Policies Against its Core Ideals**

How faithful to these commitments were the ALP’s flagship economic and social policies in the 2004 election? What degree of principled integrity did they reflect, and to what degree might there have been strategic trade-offs, and at what risk to the Labor Party’s philosophical identity?

**The Labor Party’s 2004 Tax Policy**

Along with health and education, tax policy was one of the major foci of policy competition between the two major parties in the election. The Coalition’s campaign strategy against the ALP ostensibly involved two dimensions. The first was arguably to compete with Labor on its own ground and to present itself as better than Labor at what Labor traditionally presents itself as doing best – health and education. The second was to accentuate what Labor is sometimes regarded as not doing as well as the coalition – economic management and fiscal policy. In line with the second dimension, there was considerable attention on Labor’s tax policy. As it turned out, whatever else might be said about the tax policy Labor put forth, it was arguably highly consistent with the principles avowed by Latham for the economic domain as outlined above.
"Tax and Better Family Payment Plan: Rewarding Hard Work"

The Labor Party tax policy package had a number of components:

- **The Working Tax Bonus** – delivering tax cuts through changes to the income tax thresholds;
- **The Better Family Payment Plan** – simplifying the existing family benefit arrangements and increasing financial assistance to families;
- **The Tax Free Guarantee for Families** – allowing families with dependent children under 18 to split incomes and pay less tax; and
- **Families in Work** – increasing the level of support to jobless families to facilitate their return to work.

The avowed aim of the increases in the income tax thresholds was to “reduce the penalties for hard work”. This fits strongly into the Latham philosophical themes of rewarding effort, climbing the ladder of opportunity, helping individuals to help themselves. The *Working Tax Bonus* also reflected Latham’s de-emphasising of redistribution in the economic domain. Not only were tax thresholds increased for lower and middle income earners, they were also increased for high income earners who, as a consequence, also end up with higher disposable income. There was no “levelling down” or “levelling up” in the income tax policy. There was also a clear devolutionist element in Labor’s approach to the existing contributions tax on superannuation contributions, which was to reduce it from 15 per cent to 13 per cent. Its long-term plan was to eliminate contribution tax altogether, completely removing the disincentive for people to fund their own retirement through superannuation savings. Compulsory superannuation was initiated by Labor originally, and its clear aim was to devolve responsibility for individuals’ retirement support to those individuals themselves, rather than the state through pension assistance. Reducing the tax by 2 per cent per annum was a further devolutionist step in the economic area.

The *Better Family Payment Plan* and *The Tax Free Guarantee for Families* measures sought to provide greater disposable income, fewer disincentives to work (as opposed to welfare), and flexibility in working arrangements for parents with dependents. All of these were very consistent with the choice, flexibility and initiative themes in Latham’s economic principles for Labor. And again, where a re-distributive “levelling out” element may have been expected from earlier Labor ideals, it was absent with the *Better Family Payment Plan* measure. Those families with a combined income of
nearly $90,000 per annum were still intended to be eligible for payments under the measure, and moreover, higher payments than under the existing coalition arrangements. Finally, the *Families in Work* measure was designed, as the policy document says, to help jobless families to help themselves, and to remove inter-generational poverty traps.

**The Labor Party’s 2004 Health Policy**

Just as Labor’s flagship economic policy was highly consistent with its avowed principles in the economic domain, so too was Labor’s flagship policy on Medicare consistent with its core values regarding social policy. However, reminiscent of the Liberal Party, the Labor Party can be seen to have made certain strategic trade-offs in connection with another high profile health policy area – again the proposed patient co-payment increases for the PBS.

**Labor’s “New Deal to Save Medicare” and “Medicare Gold: Guaranteed Health Care for Older Australians”**

As with the Liberal Party, Labor took the problem with Medicare to be declining bulk-billing rates. However, unlike the Liberals, Labor consistently described this as a problem of “universal access” to publicly funded health services, and the measures Labor proposed in its Medicare policies were geared to increasing access and universality. Those measures included:

- Providing a 100 per cent rebate to doctors who bulk-bill;
- providing monetary incentives to doctors to bulk-bill, with higher incentives targeted to areas of need; and
- extending the health-care workforce, including provision of extra training places and incentives for after hours services;

While the *New Deal to Save Medicare* proposal addressed problems within the existing framework of Medicare, *Medicare Gold* sought to extend that framework – to provide free hospital treatment to those over 75, regardless of means. The New Deal initiative was motivated primarily on grounds of concerns about universal access to health care. *Medicare Gold* had universal access as a motivator, but it was also put forward in the name of promoting health-care efficiencies, more timely provision of needs-based access, and reduced private health insurance costs for individuals (including those under 75 years). *Medicare Gold* sought to achieve these through the following means:
• increasing the funding to public hospitals to provide free services to over 75s;

• negotiating fee schedules and services with private hospital providers for in-hospital services to over 75s;

These measures were proposed to bring about the following health care benefits:

• reduction in waiting times in public hospitals for all age groups;

• reduction in private health insurance premiums for all subscribers through reducing the costs of providing services to over 75s by private health insurers (where reduced costs would be passed on as reduced premiums for all);

• removal of existing incentives for the Commonwealth to under-fund aged care by shifting costs to the state-based public hospital system. If the Commonwealth took over funding for public hospital beds for over 75s, there could be no cost shifting between jurisdictions, and this would have been an incentive for the Commonwealth to provide sufficient aged care places.

Both of these flagship Labor Party social policies strongly reflected a commitment to collective responsibility for the costs of individuals’ health care. Individuals’ health is a shared responsibility, discharged through the state and its public instrumentalities, rather than an individual “user pays” responsibility. For example, all the initiatives designed to facilitate bulk-billing, have the effect, if not the purpose, of reducing “out of pocket” costs and the extent to which the individual user pays for their health care. The same applies with free hospital treatment for over 75s – users who are in a generally weaker position to pay. The shift away from the individual toward collective and shared responsibility in the Labor Party health policies even extended to transactions in the private sector, in the way of reduced premiums for individual consumers of private health insurance. The Labor Party’s philosophical theme of “centralisation” – collective and shared rather than individual responsibility for costs – was very strongly reflected in the Labor Party’s 2004 flagship social policies.

There are, of course, exceptions to this high degree of principled integrity. One obvious, and frequently cited, instance was Labor’s position regarding the Private Health Insurance Rebate (PHIR). It would be reasonable to assume that a political party geared in principle to treating health care as a shared and public responsibility would be unhappy with the idea of publicly subsidising (through a rebate) individuals’ payments for their own health care. Principles of centralised collective responsibility for people’s
health would not easily countenance an individual user-pays regime, nor the public subsidy of such a regime.\(^{59}\)

There was another principled tension in the health policy domain, one that was relatively prominent in the context of the 2004 election. This is in the case of what has sometimes been described as the Labor Party “backflip” on PBS patient co-payment increases.

**The PBS Co-payment Rise – Labor Values in Tension**

In 2002, the Coalition introduced a bill to increase the patient co-payments for medicines subsidised under the PBS. The Labor Party had been consistently and overtly opposed to this increase for the two years since. To increase PBS co-payments is to increase the amount that users of subsidised medicines have to pay. It is a “user-pays” social policy measure, and ostensibly at odds with the standard Labor philosophical approach to health policy. But in the context of the 2004 election, the ALP changed its position, and agreed to let the bill proposing this increase pass. The reason presented for this change was Labor’s perceived need to have sufficient revenue to finance its election undertakings, were it to win office. Internal party assessments would have judged those undertakings unlikely to be fully funded under the rising costs to government of subsidised medicines. Moreover, it was unclear how great the savings would be from reforms Labor proposed in relation to generic medicines. Given this uncertainty, Labor undertook to allow the coalition’s co-payment bill to pass. Importantly, it also undertook to review this decision once it became clear what level of savings would accrue from the generic medicines reforms.

In the circumstances then, Labor could not adhere fully to its collectivist social principles without compromising its economic policy principles of sound economic management. Labor had the choice of sticking to its egalitarian guns about affordable access to medicines and leaving itself with a funding deficit for future programs; or it could accede to the co-payment increase and secure itself as a sound economic manager, capable of balanced budgets.\(^{60}\) Ostensibly, the Labor Party’s social principles were traded-off against its economic ones, and its values of sound economic management prevailed.

As was said in the previous chapter, it is sometimes the case, and not unusually so, that a party’s own principles compete with each other for priority. Sometimes they just cannot all be respected to the same degree, and a choice needs to be made between the values to realise in the situation, and the ones to let go by on the occasion. What is
important, and most revealing, however, is what trade-offs are actually made, and on what basis.

In acceding to the co-payment increase, the Labor Party acceded to a measure that was in direct tension with its avowed principle that individuals’ health needs are substantially a shared social responsibility. Compounding this, 43 per cent of the revenue raised by the co-payment increase would have come from those on concessional incomes. Labor could be seen to have made these substantial compromises of principle in order to give priority to the party’s value of sound economic management – low national debt, low inflation and balanced budgets. However, as important as economic management (understood as balanced budgets, low debt, etc.) is in Labor Party ideals, it is generally given less priority overall than social support for citizens’ needs. This raises the question of why, on this occasion, the former value was elevated to a priority it does not traditionally have. One possible explanation is that Labor considered it crucial for electoral reasons to be seen as economically responsible, particularly in view of a strong push by the Liberal Party in the 2004 election campaign to label the Labor Party as a poor economic manager. Seen in this way, the Labor Party can be understood as having made a trade-off on strategic grounds – so as not to allow itself and its policy agenda (and ultimately the realisation of its broader ideals) to be disadvantaged electorally.

There is a strong sense that in the special context of the 2004 election, the Labor Party was competing with the Liberal Party on Liberal Party ground. Just as the Liberal Party sought to compete with Labor by extending the Medicare safety-nets, the Labor Party arguably sought to compete with the Liberal Party on sound economic management, an area the Liberals traditionally portray as one of their strengths over Labor. In each case, the motivation was strategic, and designed to maximise each party’s prospect of realising its ideals and values more broadly and substantially, through winning the election.

As was the case with the Liberal Party, there was a risk of the Labor Party confusing the electorate as to what that party actually stood for. This was especially so in the context of a high profile issue like PBS co-payments, and the Labor Party’s strong previous public commitment not to do what it eventually did.

The Relative Philosophical Directions of the Parties

The foregoing case-study of the parties’ flagship social and economic policies has provided some detailed insights into how each party modified and negotiated its
philosophical commitments and priorities in the context of electoral competition. As it turns out, this case-study also yields some observations about how these internal negotiations have resulted in the parties being situated relative to each others’ core values. That is, the respects in which the parties’ expressed values have become further similar or different from each other in the context of the 2004 election competition.

Clearly, the case study indicated that the policy emphases of both parties during the election converged, and ostensibly on those issues that non-committed voters considered most important. This is fairly unremarkable in itself. But in the present case, convergences of a deeper philosophical kind also accompanied this shared policy emphasis – in both economic and social policy domains. As noted, the Liberal’s flagship economic policies remained faithful to the rendition of Liberal Party values in the economic domain which John Howard had portrayed for some time. However, the “ladder of opportunity” theme in Mark Latham’s portrayal of Labor values in that domain (and the economic policies he put forward in 2004), diverged from party platform Laborism in the greater emphasis they placed on individual and civic responsibility for individuals’ economic outcomes. This emphasis, it was observed, echoed some of the key elements of Howard’s devolutionism. The appearance this gives is that the economic policy principles of Latham’s Labor Party were converging on those of the Liberal Party.

In the social policy domain, there is reason to think that both the parties converged on each other in certain respects. The Liberals’ approach to Medicare concessional benefits suggested a downplaying of their usual “user-pays” principle, and increased emphasis on collective responsibility for people’s needs – something more typical of Labor Party social policy values. Similarly, the Labor Party’s decision to accede to increased PBS co-payments, betokens a more prominent role for user-pays values and individuals bearing responsibility for their well-being – principles more at home in Liberal Party philosophy.62

The question these observations immediately present is whether this snap-shot view of values-convergence is representative of the broader, longer-term situation between the two parties. This issue of trends in ideological position and convergence between the major parties will be taken up in the next chapter.
Chapter four: Difference or Convergence? A Longer Term Analysis of the Parties’ Ideological Directions and Relationships

Are the convergences indicated in the previous 2004 election case-study part of a longer-term trend? There is a considerable body of literature arguing that the basic differences of ideology or principle that once existed between the ALP and the Liberal Party have receded. However, as Murray Goot notes in a recent review of the literature, there are differing views on when this argued convergence started to take place. Many commentators identify the 1980s, during the Hawke Government, as the crucial period. It has been claimed that during that time the Labor Party became more like the Liberal Party in accepting a free market and the importance of a private sector, and the Liberals more like Labor in accepting significant levels of state welfare, and limited state intervention in the market. One commentator has remarked that, in the name of competition and greater efficiency, the Hawke and Keating Governments deregulated financial markets, presided over the end of centralised wage-fixing (and through the accord, a decline in real wages), sold revenue earning public assets, and abolished the alleged guarantor of equality of opportunity, free tertiary education. Other analysts and commentators, however, argue that the parties’ convergence manifested much earlier than the 1980s. Goot notes Hugh Mackay as declaring that from the post-Whitlam years, the two party system had “lost its way, or, perhaps, lost its point”. Brian Head and Allan Patience went even further, to suggest that policy directions in both parties had been converging since the 1940s.

More recently, there has also been a perception among surveyed voters that the two major parties had become increasingly similar between 1993 and 2001, as reflected in Chart 8 below. Interestingly, this perception changed for the 2004 election, where there was a notable increase in the proportion of surveyed voters who saw the two parties as showing a good deal of difference, and a notable decline in those who saw little or no difference.
Chapter four: Difference or Convergence?


Source: Australian Election Studies 1993–2004

Measurement of Party Difference

While not denying the importance of these commentator insights and analyses, nor the reality of perceived party convergence, there is still a lot that all of this does not tell us. Are those insights and public perceptions accurate? Without some systematic criteria or scale for comparison, and for answering the questions “the same or different in exactly what respect?”, and “how much the same, how much different?”, the comparatives “same” and “different” can begin to lose their meaning in this context. Moreover, if the two parties have converged in some way, is this convergence due to one party converging on the other, both converging on each other, or both converging on some further ideological focal point – that of the typical voter, perhaps. Each of these is importantly different, and it would be useful to have some way of measuring ideological positions and movements that could throw light on these.

The question now is what the best systematic measures for this purpose might be? Ideally, the measures of party difference to be preferred would be ones that (i) are as precise, quantified and fine-grained as possible; (ii) are repeatable, and depend on the
subjective judgements of the measurers, as little as possible; (iii) allow for systematic comparisons over time between parties, (iii) measure the ideological positions of parties when they are, as much as possible, subject to similar background influences, and (iv) identify when parties are of the left or of the right as validly and accurately as possible. A number of candidate measures of party ideological difference might fit these desiderata to varying extents. For example, one such candidate measure examines the fiscal behaviour of parties when they are in government – the relative amounts they spend on different policy areas, and the means by which they raise revenue. There is plausibility to the view that there are ideologically based differences in this behaviour, with the ideologically left being disposed to greater state-intervention, “bigger” government and greater expenditure (e.g. in welfare areas); and the ideological right to “smaller” government, less expenditure and less reliance on taxation for revenue. There is a reliable (i.e. repeatable) quantifiable measure (outlays and revenue) that allows for inter-party comparisons, is plausibly related to the general understanding of leftness and rightness, and allows to some extent for comparisons over time.

While an exhaustive analysis of party convergence and difference would take account of the outcomes of a range of best measures (i.e. provide a meta-analysis), the discussion to follow here will make use of a measure of ideological position that is particularly powerful, and rates very highly on the above desiderata (though, of course, not perfectly). This measure will, again, rely on the textual analysis of the parties’ election policy launch speeches. This time, however, the analysis will have a quantitative and statistical orientation, both in its methodological basis and in its application. Given the weight that will be placed on this manifesto-based measurement of ideological position, the next section provides a detailed account of its methodological basis, rationale and defence. After that, the measure will be applied to compare and systematically “map” over time, the relative ideological positions, and their various changes, for the Australian Labor Party and the Liberal Party of Australia.

Manifesto-based Analysis of Left-Right Ideological Position – Rationale and Methodology

The approach to be applied here to measuring the ideological positions and “distances” of political parties is an application of the methods employed by the Manifesto Research Group (MRG) of the European Consortium of Political Research. This group has conducted systematic content analyses of the election “manifestos” of significant political parties competing in elections in twenty-five democracies over a period of more than fifty years (1945–1998). The “manifesto” documents that were
analysed ranged from party election platforms to party leaders’ election policy speeches. The group’s analyses encompassed democracies from Australasia, North America and Western Europe, including party-systems that had often been overlooked in other comparative studies (e.g. Japan and Israel). The specific countries investigated were Australia, Austria, Belgium, Canada, Denmark, France, Finland, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States. These countries (and the considerable period over which they were examined) reflect a significant degree of cultural, socio-economic and institutional variation.71

Analysis of an early sample of manifestos identified distinct sets of “policy references” or categories of policy emphasis in the texts which were systematically related to whether the political party referring to them was of the ideological left or right.72 Those categories were applied by the MRG to define a Left-Right Scale. Because of the statistical correlation between the categories and a party being of the left or of the right, it was argued by the MRG that the degree to which an election manifesto or policy speech places emphasis on these categories can be taken as a measure of the degree to which the manifesto (and the party presenting it) is ideologically of the left or of the right. Degrees of emphasis were measured by the MRG in terms of the frequency with which the categories were mentioned in the text, where “mentions” were counted as references in sentences or meaningful quasi-sentence clauses. The categories that form the MRG’s Left-Right Scale are as follows73:

**MRG Left-Right Scale**

<table>
<thead>
<tr>
<th>Left</th>
<th>Right</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military, negative</td>
<td>Military, positive</td>
</tr>
<tr>
<td>Peace</td>
<td>Freedom</td>
</tr>
<tr>
<td>Internationalism, positive</td>
<td>Constitutionalism</td>
</tr>
<tr>
<td>Decolonisation</td>
<td>Government Effectiveness and Authority</td>
</tr>
<tr>
<td>Nationalisation</td>
<td>Free Enterprise</td>
</tr>
<tr>
<td>Regulation of Capitalism</td>
<td>Economic Incentives</td>
</tr>
<tr>
<td>Economic Planning</td>
<td>Economic Orthodoxy and Efficiency</td>
</tr>
<tr>
<td>Protectionism, positive</td>
<td>Protectionism, negative</td>
</tr>
<tr>
<td>Social Welfare Expansion, positive</td>
<td>Social Welfare Expansion, negative</td>
</tr>
<tr>
<td>Democracy</td>
<td>National Way of Life</td>
</tr>
<tr>
<td>Controlled Economy</td>
<td>Traditional Morality</td>
</tr>
<tr>
<td>Education Expansion, positive</td>
<td>Law and Order</td>
</tr>
<tr>
<td>Labour Groups, positive</td>
<td>Social Harmony</td>
</tr>
</tbody>
</table>
On the basis of this scale, the MRG plotted the left-right position of a party’s election manifesto by determining the frequency (percentage) of all statements in the text that are left category statements and the frequency of all statements that are right category statements, and subtracting the former from the latter. This was taken as giving a net “ideological score” on a scale between -100 and +100 (left to right), with 0 as centre or left-right neutral. The MRG’s simple subtractive computation can be represented as follows:

\[ \text{ID Party} = (\% \text{IDRight} - \% \text{IDLeft}) \]

So, a policy speech that makes a total of 200 statements, with 40 (20 percent) mentioning Right categories, and 100 (or 50 percent) mentioning Left categories, will receive an ideological score of -30 (i.e. 20 minus 50), which puts it on the ideological left. Such scores can be used to spatially plot the ideological positions of parties in graphs.

Within the MRG’s left-right scale, a distinction can be made between categories of policy emphasis that are within the economic domain, and categories within a broadly social or non-economic domain (keeping in mind, of course, that there is not always a black and white distinction). This separation between left and right economic and non-economic indicators allows for an even more fine-grained mapping of parties’ ideological positions. The left-right economic categories identified by the MRG, and used as a left-right scale for economic policy, are as follows:

**MRG Economic Policy Left-Right Scale**

<table>
<thead>
<tr>
<th>Left</th>
<th>Right</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationalisation</td>
<td>Free Enterprise</td>
</tr>
<tr>
<td>Regulated Capitalism</td>
<td>Economic Incentives</td>
</tr>
<tr>
<td>Economic Planning</td>
<td>Economic Orthodoxy and Efficiency</td>
</tr>
<tr>
<td>Protectionism, positive</td>
<td>Protectionism, negative</td>
</tr>
<tr>
<td>Controlled Economy</td>
<td></td>
</tr>
</tbody>
</table>

There will be differences of view as to what should be counted as social policy. The MRG, for example, makes a distinction between welfare/quality of life policy categories, and categories to do with external relations, freedom and democracy, the fabric of society and the nature of government. Rather than entering a debate over what precisely counts as social policy, this monograph takes the remaining non-economic indicators on the MRG’s left-right scale as defining a left right scale for “non-
economic” policy. Scores can be calculated for the economic and non-economic leftness and rightness of a party in terms of these scales, and those scores plotted graphically. In this monograph, the economic and non-economic ideological positions of parties are measured as follows:

\[
\text{EcoID Party} = (\%\text{EcoIDRight} - \%\text{EcoIDLeft})
\]

\[
\text{Non-EcoID Party} = (\%\text{NonEcoIDRight} - \%\text{NonEcoIDLeft})
\]

The terms “\%\text{EcoIDRight}” and “\%\text{EcoIDLeft}” refer respectively to the percentage of economic policy references in the text that are within the ideologically right economic indicator categories and the percentage within the left economic categories, specified above. “\%\text{NonEcoIDRight}” and “\%\text{NonEcoIDLeft}” refer respectively to the percentage of other than economic policy references in the text that are within the ideologically right non-economic indicator categories and the percentage within the left non-economic categories.

One of the most obvious criticisms of this whole approach to mapping parties’ ideological positions is its reliance on what parties say, not what they do, and especially what they say at election time when their overriding interest is winning elections. It is true that what parties say and what they do after gaining office are not always the same, and that election statements are designed to win votes. Both of these facts might call into question just how accurately manifestos and policy speeches reflect parties’ real degree of leftness or rightness. After all, it could be argued that the real ideological leaning of a party is reflected in what it actually does.

While these concerns are genuine ones, they are not as significant as they might first seem. What a party does while in government, or what it says it will do while in opposition between elections, is still subject to compromise and competing interests, often electoral ones. The assumption that election policy statements are infected by pragmatic electoral interests, but that real policy actions are not, is false. Moreover, even if there are differences between election statements and subsequent actions, it is unclear how consistent and ubiquitous those differences are, and unclear how often those differences involve ideological shifts. The perception that governments or parties do not keep their promises can often be anecdotally based. But when it comes to systematic evidence for inconsistencies between platforms and practise, the jury is still out. Some studies suggest a generally good correspondence between these,\(^{74}\) while others do not.\(^{75}\)
So, while there will be possible drawbacks of focusing on policy speeches, they are less substantial than they appear. There are also some definite advantages in adopting this focus for the purposes of comparative measurement of party ideology over time. While the average voter is unlikely to read policy statements at election time, those statements are nonetheless a focal point for political argument and debate during an election campaign. They stand as the only clear statement of party policy available to the electorate and directly attributable to the party. Usually, statements of election policy have the authority of the leadership, or are products of debate within the party, and to that extent they have a considerable claim to being authoritative indicators of what parties present themselves as standing for. Election policy speeches are also specifically dated sources of data, which makes them particularly useful for temporal comparisons. They also have a further important advantage. When defining or measuring the ideological position of political parties in competition, it is important to be able to measure this as much as possible in abstraction from other contextual influences that may differentially affect the policy behaviour of parties. Parties will behave differently in government than when in opposition, for example. Parties in government compete with other parties from a position of incumbency. An election context, while it does not eliminate all background differences in party competition, at least provides a similar context for competition: no party is in full power, and all are competing for election to government and present their policy and platforms in that same circumstance.

All of these considerations, concerns and counter-arguments ultimately go to the question of whether the left-right scale developed by the MRG validly measures ideological position. As was said, there is a significant statistical correlation among the policy categories on each side of that scale – they do seem to group together, which suggests that they indicate some underlying factor. But are the underlying factors really ideological leftness and ideological rightness? Are there any ways of checking the validity of the claim that they are? One immediate check is to see if parties that have been identified via the MRG scales as of the left or right are consistently of that ideology over time. If the ideological positions of parties as measured by the MRG scales were to constantly leap-frog each other and constantly cross between left and right ideological spaces, that would strongly suggest that the those scales do not measure a real ideological distinction. The twenty year MRG data, however, does not show significant leap-frogging, and shows that parties generally remain within their left or right spaces.
There is further systematic evidence that the MRG scales are a valid measure of ideological position compared to leading alternative measures. Besides the MRG left-right scales, the leading approach to measuring parties’ ideological positions is via the “expert judgements” made by party specialists. A systematic statistical analysis comparing the outcomes of this measure with party positions plotted over 20 years on the MRG scale, indicates a correlation in the ideological positions provided by both measures (with the exception of a small number of specific parties, under particular circumstances). As well as this, the MRG scale has certain advantages over expert judgements. The scale is more reliable in the sense that it is a less subjective, and easily repeatable, measure. It is also more fine-grained in being able to measure degrees of ideological movement over time. Expert judgements place parties in more static ideological locations, and are consequently less suited to investigating party dynamics. These considerations suggest that manifesto-based measures of ideological position are not only as good as the leading alternative measure, but are better in key ways.

The MRG left-right scales, as they have been refined over the years in the light of extensive comparative empirical data, have a strong claim to being a sound and useful measure of parties’ ideological positions over time. The scales are not without their limitations – something true of most methodological tools and scales – but they are as valid and reliable as alternatives, and arguably considerably more so.

The Ideological Positions of the Two Major Parties – Changes and Relationships

The remainder of this chapter will outline and spatially map some outcomes of the analysis of ALP and Liberal Party election policy launch speeches. It will begin by mapping historical ideological trends from existing policy speech analyses for the period 1946 to 1990, and then turn to analyses conducted by the author for the purposes of this monograph for the period 1993 to 2004. The policy launch speeches that are analysed for this second period are as follows over page:

<table>
<thead>
<tr>
<th>Election</th>
<th>Liberal Party</th>
<th>Labor Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>“Liberal Party Campaign Launch” Address by John Hewson MP Sydney, March 1, 1993</td>
<td>“Advancing Australia; Building on Strength” The Hon Paul Keating MP Bankstown, February 24, 1993</td>
</tr>
</tbody>
</table>
### Historical Trends in Ideological Position

To give an idea of the longer-term historical trends, Chart 9 below maps ideological positions that have been identified for the Liberal Party and the Labor Party at all elections between 1946 and 1990. As can be seen, the two parties have a history of converging ideologically as well as diverging at various times. However, during this 45 year period the Labor Party has generally remained on the ideological left (with a mean position of 13.4 points on the left), while the Liberal Party has been predominantly positioned on the ideological right (with a mean position of 20.8 points on the right). There have been a number of points at which Labor has been positioned on the ideological right (in 1966, 1980, 1983 and 1984), and the Liberal Party on the ideological left (in 1963 and 1966), where at the 1966 election the Liberal Party was marginally further left than the Labor Party. (Budge, Klingemann and Volkens, et. al., 2001 provide a number of possible causes and explanations for these cross-overs.). Importantly, it can also be seen that on some occasions the parties’ positions have converged as a consequence of one party moving closer to the other one, which remains relatively stable in position (e.g. as in 1963 and 1966 elections when the Labor Party was relatively stable in position, but the Liberal Party moved considerably toward Labor); and on other occasions, the parties’ positions have converged as a result of both moving closer to each other (e.g. in 1974, 1975, and 1977). Furthermore, the various convergences of the parties have not necessarily been convergences toward the

<table>
<thead>
<tr>
<th>Year</th>
<th>Liberal Party</th>
<th>Labor Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>“Election Campaign Launch Speech”&lt;br&gt;The Hon John Howard MP&lt;br&gt;Ryde Civic Centre, February 18, 1996</td>
<td>“Speech by the Prime Minister: ALP Campaign Launch”&lt;br&gt;The Hon P. J. Keating MP&lt;br&gt;Melbourne, February 14, 1996</td>
</tr>
<tr>
<td>2001</td>
<td>“Address at the Federal Liberal Party Campaign Launch”&lt;br&gt;The Hon John Howard MP&lt;br&gt;Sydney, October 28, 2001</td>
<td>“ALP Campaign Launch”&lt;br&gt;The Hon Kim Beazley MP&lt;br&gt;Hurstville, October 31, 2001</td>
</tr>
<tr>
<td>2004</td>
<td>“Address at the Coalition Campaign Launch”&lt;br&gt;The Hon John Howard MP&lt;br&gt;Brisbane, September 26, 2004</td>
<td>“Taking the Pressure off Families”&lt;br&gt;Mark Latham MP&lt;br&gt;Brisbane, September 29, 2004</td>
</tr>
</tbody>
</table>

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75
ideological “centre” between left and right. In the 1960s, the parties converged toward the ideological left, and in the 1980s they converged toward the right.


Source: Budge, Klingemann, Volkens, et. al., 2001


Analysis and mapping for the period between 1993 and 2004 conducted for this monograph show that similar patterns apply. Chart 10 indicates that in this period, the Labor Party remained on the ideological left and the Liberal Party on the right. Between 1993 and 1996, there was a slight move by Labor to the right, probably as a reflection of Keating’s strong emphasis on economic issues in the 1996 election, particularly the drive to increased productivity and strengthened economic relations with South East Asia. In 1998, however, Beazley renewed the emphasis on health, education and employment in Labor’s stated policy priorities and the Labor Party moved left again, to the position it occupied in 1993. In 2001, Labor turned slightly right again (probably due to the salience of security and border control issues in Labor’s 2001 policy priorities). In 2004, Mark Latham brought Labor’s election focus again to health and education, and the Labor Party returned to the left position it had occupied in 1998.
The Liberal Party showed a consistent trend to the right between 1993 and 1998. It then moved in a distinctly left direction in 2001 and maintained that position at the 2004 election. Moving further to the left is not new for the Liberals (after all the 2001 analysis of Budge, Klingemann, Volkens, et.al., showed the Liberals to be further left than Labor in 1966), and Liberal Party ideological positions in 2001 and 2004 were only marginally further left than the position occupied in 1993. Nonetheless, the movement in 2001 is perhaps a little unexpected in view of the Liberal Party’s then strong pitch for security, sovereignty and border control – emphases that are of the right on the MRG scale, and ones that also helped bring Labor further to the right in 2001. However, even though military and security issues were salient in the Liberal Party’s election policy speech priorities in 2001, there was also a strong emphasis on MRG scale left issues, like the expansion of education and welfare provision in various social areas. That emphasis was maintained in the 2004 election, with its very strong focus on Medicare.

The ideological stability of the parties can be judged in terms of deviations from their party’s mean ideological position in the 1993 to 2004 period. Despite having had three leaders taking the Labor Party to elections in this period, that party has been more ideologically stable than the Liberal Party. Labor has experienced a smaller average deviation from its mean ideological position (3.9 chart points average deviation), than the Liberal Party has from its mean position (6.7 average deviation). Again, judged in
terms of their mean ideological positions, the Liberal Party has on average been closer to the ideological centre position than the Labor Party over this period.

**The Parties’ Economic vs Non-economic Policy Ideologies**

The ideological positions mapped in Chart 10 are based on the parties’ entire range of left-right policy categories, both economic and non-economic. Once those two policy streams are measured separately for the ideological positions they reflect, some interesting differences emerge.

With the exception of 1998, both parties placed greater emphasis on non-economic policy issues than economic ones in their stated election policy priorities between 1993 and 2004. In 1998, the GST was a major issue for both parties, and both also gave considerable emphasis to issues of productivity and economic management. The greatest emphasis placed on non-economic policy issues compared to economic ones by the Labor Party occurred in Mark Latham’s 2004 speech. There were five times more non-economic than economic policy references. The closest to this was in 1993 under Keating, where there were nearly twice as many non-economic policy references as economic ones. The greatest emphasis given by the Liberal Party to non-economic compared to economic issues occurred in 2001, where there were over twice as many of the former. Along with education, priority issues in this election for the Liberals were border control, security, social harmony and family. These contributed to the greater overall focus being on non-economic policy.

Proponents of the view that the Labor Party has become more like the Liberal Party sometimes cite the example of economic policy to support this. Chart 11 maps the parties’ positions for economic and non-economic policy streams. It does reveal some economic similarities between the two parties, not so much in their ideological convergence on economic policy, as much as the fact that Labor, together with the Liberal Party, has consistently been economically right of centre between 1993 and 2004. The exception was in 1998, when economically Labor was ideologically centre. Despite both being predominantly right on economic ideology, there was still significant ideological distance between the parties for most of the 1993 to 2004 period. Between 1993 and 1998, the parties underwent a period of divergence in economic ideology, with Labor showing a greater movement away (toward the left) from the Liberal Party’s ideological positions. In 1998, Labor was economically its furthest left from the Liberals, most likely a reflection of the Labor Party’s policy stance on the GST.

The parties’ divergence, and the Labor Party’s movement left, changed markedly between 1998 and 2004. During this time Labor moved consistently to the right in its economic policy ideology, converging on the positions of the Liberal Party, even as the Liberal Party moved further right itself economically. In 2004, the Labor Party was economically the closest it had been to the Liberal Party within the 1993 to 2004 period, and both parties were economically the furthest right they had been in that period. Even though Mark Latham, at the 2004 election, focused predominantly on non-economic policy issues in his election policy launch, the economic policy focus that there was, emphasised ideologically right categories, such as economic incentives (e.g. income tax cuts, raising the threshold for top marginal tax rate) and efficiency and economic orthodoxy (e.g. budget savings from cuts to state bureaucracy, downward pressure on interest rates, responsible economic management). John Howard also emphasised these economic policy categories, but placed more emphasis on small business and economic enterprise. Measured in terms of the parties’ average deviations from their respective mean economic ideological positions for the period between 1993 and 2004, the Liberal Party has been more stable in its economic ideology than the Labor Party (average deviation of 6.7 chart points, compared to 15.1 for Labor).

When it comes to the parties’ ideological positions on non-economic policy, a different picture emerges. As Chart 11 shows, Labor was on the ideological left in its non-
economic policy between 1993 and 2004. Perhaps unexpectedly, so too was the Liberal Party, with the exception of 1996 when it occupied a position marginally to the right of centre (by 2 chart points). This left positioning can be accounted for by the fact that an emphasis on the expansion of education and training, and expansion of support for health, has been salient in the Liberals’ election policy launches (the left categories of social welfare expansion positive, and education expansion, respectively). In fact, as a proportion of non-economic policy, these references have steadily increased in those launches (from 26 per cent in 1993 to 58 per cent in 2004), with the exception of 1996. In 1996, although John Howard expressed a commitment to Medicare and undertook to expand training, he also placed significant emphasis on freedom of choice and family values (right categories), and also expressed a strong focus on environmental issues (a left-right neutral category). These together brought the Liberals’ non-economic policy position in 1996 to the right of 1993 and subsequently. In 2004, the Liberal Party moved significantly further left in its non-economic policy position, largely due to the dominance of the Medicare Plus proposals to strengthen bulk-billing and reduce out-of-pocket medical costs. There was also a significant emphasis in the 2004 launch on expansion of school education and training (for the national skills shortage), expansion of childcare support, and support for older Australians. Between 1998 and 2004 there was a convergence between the two parties in their ideological positions on non-economic policy. In moving right between 1998 and 2001, the Labor Party converged on the Liberals’ position in 2001, which had remained virtually the same since 1998. However, in 2004, while Labor had moved slightly left of its 2001 position, the Liberal Party also moved left to strongly converge on Labor in 2004.

The Labor Party, as stated, was further left in each of its non-economic ideological positions than the Liberal Party between 1993 and 2004. With the exception of the 2004 election, the Labor Party placed significantly more emphasis on social welfare and education expansion than did the Liberals. In 1998, in the context of the GST issue, Kim Beazley focused more on economic than non-economic policy in his election policy launch (60 per cent compared to 40 per cent of policy references). However, within the non-economic policy, there was a very strong emphasis by Labor on increased health funding, and funding for school education and post-school education and training. As well as this, in 1998, Labor made little reference to policy issues within MRG right or left-right neutral categories.

Measured in terms of the parties’ average deviations from their respective mean non-economic ideological positions for the period between 1993 and 2004, the Liberal Party
has been very slightly more stable in its non-economic ideology than the Labor Party (average deviation of 9.6 chart points compared to 9.7 for Labor).

One of the upshots of this spatial analysis of party positions is that while the last five elections have shown the parties to have ideologically diverged as well as converged at various points, the analysis does strengthen one of the general views on how the parties have converged more enduringly. It was noted earlier that some analysts had speculated that the two parties had become much more similar in virtue of the Liberals coming to accept state provision of welfare, and Labor a free and efficient market economy. The spatial analysis above to some extent confirms this. Throughout the 1993 to 2004 period analysed the Liberal Party has strongly emphasised welfare and education expansion (placing them more left and closer to Labor), while the Labor Party has consistently emphasised economic incentives, efficiency and orthodoxy, along with the importance of enterprise in economic policy (placing them more right, and closer to the Liberal Party).

It is significant also, that the observations of the previous chapter on the relative philosophical directions reflected in the parties’ flagship policies in the 2004 election conform with the spatial analysis in the present chapter. It was observed earlier that the “ladder of opportunity” theme in Mark Latham’s flagship economic policy, and the emphasis that policy placed on individual and civic responsibility, all echoed key elements of the devolutionism in John Howard’s Liberalism. This accords with the spatial analysis of party positions just conducted. Labor, it was shown, moved significantly to the right economically in 2004 to converge on the economic ideological position of the Liberal Party. It was also observed in the earlier case study that the Liberals’ approach to Medicare concessional benefits suggested a downplaying of their usual “user-pays” principle, and increased emphasis on collective responsibility for people’s needs – something more typical of Labor Party social policy values. The ideological mappings for non-economic policy clearly show the Liberal Party moving significantly to the left in 2004, to converge on the position held by Labor.

One further upshot of the spatial analysis of party positions relates to certain views about the Liberals’ recent ideological attitude to social policy. A prominent view, and the avowed position of John Howard, is that the Liberal Party is currently “socially conservative”. It was noted earlier that there will be differences on what counts as social policy, and exactly what the “social” in John Howard’s social conservatism is meant to include and exclude. This means that the “non-economic” ideological positions analysed and mapped above may not exactly speak to social policy as it is
conceived by Howard. Nonetheless, non-economic policy as it has been categorised here for the ideological mappings, does encompass major social policy categories. While it is plausible to think that many social policy measures pursued by John Howard’s Liberal Party – particularly in “social values”, the fabric of society and security areas – are ideologically of the right, the evidence from the above analysis suggests that the situation may be more complex with social policy more broadly conceived, especially to include social welfare and quality of life domains. The Liberal Party’s ostensive approach to social values might not tell the whole story about that party’s more comprehensive ideological dispositions in the non-economic sphere.

**Party Positions and Voters’ Positions**

The preceding discussion mapped out some of the recent ideological relationships between the parties, and the movements in these positions over time. A key issue of interest for this monograph, however, is whether the parties are abandoning or compromising their usual ideological stances in order to pragmatically target voters. An important question, then, is how the parties’ ideological positions relate to Australian voters’ ideological positions? Do the changes that have been observed above in the parties’ positions track those of voters? Do the positions of the parties converge on the ideological positions of the median voter, as Hotelling’s median voter theorem predicts?\(^86\) Do the parties’ ideological positions track those of swinging voters? How well matched are the ideological positions of the parties with the positions of their respective constituencies?

How easily these questions can be answered will depend on how validly these voter groups’ ideological positions can be identified and measured. It has been argued that the MRG party ideology scale, with its statistical basis and validity testing, is a comparatively strong measure of party ideological position. But there does not appear to be a similarly rigorous (and independent) measure for voter ideological position.\(^87\) However, there are some indicators of this that are available, namely, surveyed voters’ own direct and indirect estimations of their left-right ideological positions. Although, as measures, these self reports might not inspire the same degree of confidence as more rigorously tested ideological scales, they can still be useful in providing a preliminary analysis of ideological relationships between parties and voters. The following makes use of Australian Election Study data on self-reports of surveyed voters’ left-right positions, along with self-reports on some of those surveys’ other ideology relevant variables, to chart some ideological relationships between parties and voters. It is important to keep in mind when viewing the charts that, although they are represented
on the same -100 to +100 left-right scale, the positions of voters, and positions of parties have been arrived at via different measures.

**Ideological Positions of Voters, Major Party Supporters and Swinging Voters**


Chart 12 maps the median ideological positions of all surveyed voters, voters who identify with the Labor Party, and voters who identify with the Liberal Party for the period 1993 to 2004. Chart 13 maps the median ideological positions of those voters who sometimes vote Labor and sometimes Liberal (i.e. “swinging” voters). These median voter positions are plotted against the background of the already identified ideological positions for the Labor Party and Liberal Party (shaded red and blue continuous lines). As can be seen from Chart 12, the positions of the aggregate “All Surveyed Voters” (green segmented line) were consistently on the ideological right for this period, although they were only marginally to the right of centre. On average, the Liberal Party was closer to these surveyed voters ideologically than the Labor Party, the mean all-voter position being 2.7 on the right, and Liberal Party and Labor Party mean
positions being 15.6 on the right and -29.4 on the left, respectively. Ideologically, the Liberal Party has been very close to surveyed voters’ at the last two elections, and Labor was at its most distant in 2004.


The disaggregated election survey data shows that Labor Party identifiers have been ideologically just left of centre, and consistently so, while Liberal Party identifiers have occupied positions considerably on the right. On average, the Liberal Party has been ideologically closer to its constituency than the Labor Party has been to its constituency. The mean ideological position for Liberal identifiers is 25.5 on the right compared to 15.6 right for the Liberal Party, and for Labor identifiers -6.8 left compared to -29.4 left for the Labor Party. Indeed, on average the Liberal Party is ideologically very slightly closer to the mean ideological position of Labor supporters than is the Labor Party (22.4 chart-points compared to 22.6). Interestingly, in 1998 when the GST was the dominant election issue, the Liberal Party was slightly right of its constituency, but the closest it has been to them in the 1993 to 2004 period.
As might be expected, the ideological positions of surveyed voters who report sometimes voting Labor and sometimes Liberal, are very close to centre. Although on average this swinging voter group was slightly to the right of general voters (with mean ideological positions of 3.7 right and 2.7 right respectively), swinging voters were closer to centre at the 2001 and 2004 elections. Again, the Liberal Party is on average closer to the mean ideological position of swinging voters than the Labor Party.

Swinging Voters and Optimal Party Positions

It was noted in the introduction to this monograph that, in the context of partisan de-alignment, competing parties may be more inclined to target the preferences of non-committed voters. If this were the case, what would be the optimal ideological position(s) for parties to occupy in relation to the positions occupied by swinging voters? And what light, if any, might the party and voter ideological maps charted above throw on whether the parties have situated themselves optimally?

It is plausible to assume that in general the ideologically closer a political party is to a voter’s ideological views, the more attractive that party will be to the voter. It is also plausible to assume that a party, in seeking to attract non-committed voters, will not want to alienate and lose the vote of its already committed voters (i.e. its party identifiers or supporters). These two assumptions suggest that the optimal ideological position for a party will be between the positions of committed and non-committed voters. Just whereabouts in between will depend in part on how strong the existing support is from the party’s committed voters. The stronger the commitment from committed voters, the further away the party can afford to be from them ideologically (and the closer to non-committed voters) without losing their votes.

Based on the ideological positions mapped in Charts 12 and 13, the Liberal Party has indeed been optimally positioned between 1993 and 2004 to attract swinging voters without alienating its existing support base. The median ideological position for swinging voters was 3.7 chart-points on the right, for Liberal identifiers was 25.5 points on the right, and for the Liberal Party, between these at 15.6 points. In only one year (1998) was the Liberal Party not between the two, and only very slightly so, to the right of its existing supporters.

The Labor Party, on the other hand, does not appear to have been optimally placed in relation to swinging voters. Its ideological positions between 1993 and 2004 have been consistently to the left of both swingers and its existing supporters. In line with the assumptions and observations made here, it appears that the Labor Party would have
been better placed to attract non-committed voters and to maintain its existing support base if it had been positioned more at the ideological centre.

**Voters’ Economic Ideological Positions**

According to the earlier analysis and mappings of ideological positions in economic policy between 1993 and 2004, both parties were clearly on the right economically, and since 1998 both became more so. How does this compare with voters’ economic ideological views? While the Australian Election Studies did not include questions specifically about voters’ perceptions of their leftness or rightness in economic matters, it is possible to construct an index of their left-right economic ideology, based on responses to certain other questions in the studies. The index used here is based on the view that a person’s economic leftness or rightness will be revealed by their attitudes to who should hold economic power in society and how economic resources should be distributed. Accordingly, the index is based on responses to questions relating to trade union power and big business power, and income redistribution and social spending versus individual tax cuts. Median surveyed voters’ responses to these questions are averaged to form a left-right economic ideology score for each survey year. The index is scaled to have a range of minus-100 (left) to plus-100 (right) in conformity with the spatial scales for the manifesto analysis.

Chart 14 maps voters’ economic ideological positions derived from applying this index, again against the background of the already plotted economic ideological positions for the two parties, on the same scale. While both the parties have been right of centre economically between 1993 and 2004, and indeed, have been converging even further right between 2001 and 2004, voters appear to have been moving leftward in their left-right economic attitudes. Measures for the “all surveyed voters’ group show its position to have moved from right to left of centre since 1993. Between 1996 and 2001 there was a notable shift to the left in this group economically, after which it remained in the same position. Surveyed voters who identify with the Labor Party show a virtually parallel pattern of movement in these periods, although this group has remained consistently on the left economically. Surveyed voters who are Liberal supporters have been on the right economically since 1993, with the exception of 2004 when they were positioned at the centre. Again, since 1996, those Liberal supporters have moved steadily leftward in their economic attitudes, with that leftward movement slowing slightly between 2001 and 2004.
The parallel in direction of ideological movement on economic matters between all these distinct voter groups is quite notable. All show either a movement to the right or a static ideological position between 1993 and 1996. But between 1996 and 2001, all show a distinct movement to the left, and then either a rightward movement or a decline in leftward movement between 2001 and 2004. These same ideological movements are not mirrored by either of the two parties, with the exception of both parties pronounced movement to the right between 2001 and 2004.

In economic ideological position, the Labor Party is on average closer than the Liberal Party to the mean positions of the all-voters group, the Liberal supporters and Labor supporters (i.e. all represented groups). The Liberal Party is also closer in economic ideology to Liberal supporters than the Labor Party is to Labor supporters (a chart-point difference of 37.2 compared to 49.6 between mean ideological positions). However, the Labor Party is considerably closer to Liberal supporters economically, than is the Liberal Party (a chart-point difference of 7.6 and 37.2 respectively).
In general, there seems to have been a divergence in the economic ideological positions between the parties (which were on the right and generally moving rightward) and surveyed voters and party supporters (who were often on the left, and generally moving leftward). All told, because the Labor Party was further left than the Liberal Party, it was on average closer to all these voter groups’ economic ideological positions.

**Ideological Difference and Electoral Outcomes – A Systematic Relationship?**

Harold Hotellings’ median voter theorem implies that parties will maximise their electoral success in majoritarian democracies the closer their policies are to the ideological position of the median voter. According to the theorem, success for a party means converging on the ideological position of the median voter. Similarly, it has been proposed that, in the context of partisan de-alignment, parties are more likely to target the preferences of non-committed voters in order to increase their prospect of success. However, in tension with these views it is sometimes suggested that a party will increase its electoral success if its policies or ideological perspective diverge from those of its opponents. Is a party’s seeking to differentiate ideologically from its opponents a strategy that maximises its prospect of electoral success? Will a party in opposition have more chance of winning office if it makes itself significantly ideologically different from the incumbent at election time? If it offers something significantly different, in other words? Information based on the MRG ideological mapping techniques do not support an affirmative answer to either of these questions.

Chart 15 pictorially represents the relationship between the parties’ proportions of the primary vote between 1993 and 2004, and the ideological distances between the parties in these years (as analysed and measured via MRG methods). The bars on the bottom of the chart are the total primary vote for each party, and the horizontal area maps the difference in the ideological positions of both parties, the wider the area, the greater the difference. It turns out that there has been no significant positive or negative correlation between the parties’ ideological distances and their proportions of the primary vote for the 1993 to 2004 period. There are no statistically significant relationships that suggest either (i) that the difference in the primary vote between the parties has gone up or down in relation to increases or decreases in the ideological distance between the parties; or (ii) that the primary vote for a party has gone up or down in relation to the leftness or rightness of that party. An analysis of ideological distance and primary vote in elections between 1949 and 1990, show the same to be the case. It is worth noting,
finally, that the Labor Party has won office when it has been ideologically close to its major party opponent as well as distant. The same is true for the Liberal Party.

Chart 15: Ideological Difference and Proportion of Primary Vote 1993–2004

What does all this suggest about left-right ideological differentiation as something that a party should seek? If a party seeks it for strategic reasons, to enhance its electoral success, then it is not necessarily a winning strategy according to the measures here. There is also a view that parties in opposition tend to gain office with an agenda for change. To the extent that an agenda for change is something that would be reflected in the left-right ideological distance of that party’s election policy program from its opponent’s, then this view needs to be reassessed as well.

Conclusion

The purpose of this monograph has been to explore certain dimensions of the relationship between principle and pragmatism in recent policy formation. Its key findings have already been summarised, so no attempt will be made to rehearse them now. What is, however, worthy of comment in concluding, is the very fact that a study with this particular subject matter can systematically and fruitfully be conducted.

As noted earlier, it seems commonplace for observers of politics, both lay and professional, to claim that there is a paucity of principle in politics. Hopefully one of the effects of the current study will be to disabuse people of this view. Less commonplace, but still significant, is a similar view that values and principles are not a sufficiently determinate stuff to be the subject matter of rigorous study in politics. Where the idea of ‘principle’ in politics lacks determinacy, it may be argued, that idea has no explanatory force in understanding party behaviour.

This view is mistaken also. The current study has elucidated how principle in politics can register on different measures and analyses (both quantitative and qualitative). The strong suggestion is that there is something determinate there to be measured, and which plays a role in party behaviour and competition, and in the understanding of these.

This monograph will have achieved its goal if it contributes to a more robust recognition that it is possible to talk in a legitimate and sophisticated way about principle in politics. That recognition would not only benefit the commentators and observers of politics, but also the policy-makers themselves, who may perhaps come to see their own activities in a fuller light.
Appendix 1: Labor Party and Liberal Party
Ideological Scores 1993–2004

<table>
<thead>
<tr>
<th></th>
<th>ALP</th>
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<th>LIB</th>
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<tbody>
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<td>Non-Eco Left/Right</td>
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</tr>
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<tr>
<td>Means</td>
<td>-29.4</td>
<td>21.6</td>
<td>-58.4</td>
</tr>
<tr>
<td>Average Deviation from Mean</td>
<td>3.9</td>
<td>15.1</td>
<td>9.7</td>
</tr>
</tbody>
</table>

Scores according to the MRG Manifesto Analysis, representing positions on the MRG -100 to +100 Left to Right Ideology Scale (with the exception of the average deviation figures which reflect distances rather than positions).
### Appendix 2: Median Surveyed Voters’ Left-Right Ideological Positions 1993–2004

<table>
<thead>
<tr>
<th>Year</th>
<th>All Voters’ Median Left-Right</th>
<th>Labor Identifiers’ Median Left-Right</th>
<th>Liberal Identifiers’ Median Left-Right</th>
<th>Sometimes Liberal and Sometimes Labor Voters’ Median Left-Right</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>(AES) 5.59</td>
<td>(AES) 5.07</td>
<td>(AES) 6.63</td>
<td>(AES) 5.76</td>
</tr>
<tr>
<td></td>
<td>2 (MRG)</td>
<td>- 9.5 (MRG)</td>
<td>25.1 (MRG)</td>
<td>5.8 (MRG)</td>
</tr>
<tr>
<td>1996</td>
<td>(AES) 5.19</td>
<td>(AES) 4.78</td>
<td>(AES) 6.46</td>
<td>(AES) 5.28</td>
</tr>
<tr>
<td></td>
<td>3.8 (MRG)</td>
<td>- 4.4 (MRG)</td>
<td>29.2 (MRG)</td>
<td>5.6 (MRG)</td>
</tr>
<tr>
<td>1998</td>
<td>(AES) 5.16</td>
<td>(AES) 4.73</td>
<td>(AES) 6.15</td>
<td>(AES) 5.17</td>
</tr>
<tr>
<td></td>
<td>3.2 (MRG)</td>
<td>- 5.4 (MRG)</td>
<td>23 (MRG)</td>
<td>3.4 (MRG)</td>
</tr>
<tr>
<td>2001</td>
<td>(AES) 5.11</td>
<td>(AES) 4.7</td>
<td>(AES) 6.05</td>
<td>(AES) 5.08</td>
</tr>
<tr>
<td></td>
<td>2.2 (MRG)</td>
<td>- 6 (MRG)</td>
<td>21 (MRG)</td>
<td>1.6 (MRG)</td>
</tr>
<tr>
<td>2004</td>
<td>(AES) 5.12</td>
<td>(AES) 4.57</td>
<td>(AES) 6.46</td>
<td>(AES) 5.11</td>
</tr>
<tr>
<td></td>
<td>2.4 (MRG)</td>
<td>- 8.6 (MRG)</td>
<td>29.2 (MRG)</td>
<td>2.2 (MRG)</td>
</tr>
<tr>
<td>Mean</td>
<td>2.7 (MRG)</td>
<td>- 6.8 (MRG)</td>
<td>25.5 (MRG)</td>
<td>3.7 (MRG)</td>
</tr>
</tbody>
</table>

“(AES) n” refers to the median score on the Australian Election Study question “In politics, people sometimes talk about the “left” and the “right”. Where would you place yourself on a scale from 0 to 10, where 0 means the left and 10 means the right?” [The 1993 AES scale was from 1 to 10].

“n (MRG)” refers to the AES n converted to a -100 to +100 scale.

### Median Economic Positions for All Surveyed Voters (Australian Election Studies)

<table>
<thead>
<tr>
<th>Year</th>
<th>Unions Too Powerful</th>
<th>Big Business Too Powerful</th>
<th>Redistribute Income</th>
<th>Less Tax vs More Social Spending</th>
<th>Average of Medians</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>1.9 (R-L) = 4.1 (L-R)</td>
<td>2.1</td>
<td>2.5</td>
<td>2.2 (R-L) = 3.8 (L-R)</td>
<td>3.1</td>
</tr>
<tr>
<td>1996</td>
<td>2.2 (R-L) = 4.1 (L-R)</td>
<td>2.1</td>
<td>2.6</td>
<td>2.6 (R-L) = 4.1 (L-R)</td>
<td>3.2</td>
</tr>
<tr>
<td>1998</td>
<td>2.4 (R-L) = 3.6 (L-R)</td>
<td>2</td>
<td>2.5</td>
<td>2.6 (R-L) = 3.4 (L-R)</td>
<td>-5 (MRG)</td>
</tr>
<tr>
<td>2001</td>
<td>2.6 (R-L) = 3.4 (L-R)</td>
<td>2</td>
<td>2.3</td>
<td>2.8 (R-L) = 3.2 (L-R)</td>
<td>-15 (MRG)</td>
</tr>
<tr>
<td>2004</td>
<td>2.8 (R-L) = 3.2 (L-R)</td>
<td>2</td>
<td>2.5</td>
<td>3 (R-L) = 3 (L-R)</td>
<td>-15 (MRG)</td>
</tr>
</tbody>
</table>

Mean of Average Median

-4 (MRG)

“n (R-L)” refers to the median position on a five point scale where 1 represents far ideological Right and 5 far ideological Left

“n (L-R)” refers to the median position on a five point scale where 1 represents far ideological Left and 5 far ideological Right

“n (MRG)” refers to the AES averaged median converted to the -100 to +100 Left-Right scale.
## Median Economic Positions for Surveyed Voters who identify with the LABOR PARTY (Australian Election Studies)

<table>
<thead>
<tr>
<th>Year</th>
<th>Unions Too Powerful (R-L)</th>
<th>Big Business Too Powerful</th>
<th>Redistribute Income</th>
<th>Less Tax v More Social Spending (R-L)</th>
<th>Average of Medians (MRG)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>2.8</td>
<td>1.9</td>
<td>2</td>
<td>2.6</td>
<td>-20 (MRG)</td>
</tr>
<tr>
<td></td>
<td>3.2 (L-R)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>3.2 (R-L)</td>
<td>1.9</td>
<td>2.3</td>
<td>2.6 (R-L)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.8 (L-R)</td>
<td></td>
<td></td>
<td></td>
<td>-20 (MRG)</td>
</tr>
<tr>
<td>1998</td>
<td>3.3 (R-L)</td>
<td>1.9</td>
<td>2.2</td>
<td>2.9 (R-L)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.7 (L-R)</td>
<td></td>
<td></td>
<td></td>
<td>-25 (MRG)</td>
</tr>
<tr>
<td>2001</td>
<td>3.2 (R-L)</td>
<td>1.8</td>
<td>2</td>
<td>3 (R-L)</td>
<td>-40 (MRG)</td>
</tr>
<tr>
<td></td>
<td>2.8 (L-R)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>3.5 (R-L)</td>
<td>1.8</td>
<td>2.1</td>
<td>3.4 (R-L)</td>
<td>-35 (MRG)</td>
</tr>
<tr>
<td></td>
<td>2.5 (L-R)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mean of Average Median: -28 (MRG)

“n (R-L)” refers to the median position on a five point scale where 1 represents far ideological Right and 5 far ideological Left.

“n (L-R)” refers to the median position on a five point scale where 1 represents far ideological Left and 5 far ideological Right.

“n (MRG)” refers to the AES averaged median converted to the -100 to +100 Left-Right scale.
### Median Economic Positions for Surveyed Voters who identify with the LIBERAL PARTY (Australian Election Studies)

<table>
<thead>
<tr>
<th>Year</th>
<th>Unions Too Powerful</th>
<th>Big Business Too Powerful</th>
<th>Redistribute Income</th>
<th>Less Tax v More Social Spending</th>
<th>Average of Medians</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>2.3 (R-L)</td>
<td>2.5</td>
<td>3.1</td>
<td>1.8 (R-L)</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td>3.7 (L-R)</td>
<td></td>
<td></td>
<td>4.2 (L-R)</td>
<td>20 (MRG)</td>
</tr>
<tr>
<td>1996</td>
<td>1.3 (R-L)</td>
<td>2.3</td>
<td>2.8</td>
<td>1.7 (R-L)</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>4.7 (L-R)</td>
<td></td>
<td></td>
<td>4.3 (L-R)</td>
<td>25 (MRG)</td>
</tr>
<tr>
<td>1998</td>
<td>1.8 (R-L)</td>
<td>2.2</td>
<td>3.1</td>
<td>2.1 (R-L)</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td>4.2 (L-R)</td>
<td></td>
<td></td>
<td>3.9 (L-R)</td>
<td>20 (MRG)</td>
</tr>
<tr>
<td>2001</td>
<td>2 (R-L)</td>
<td>2.2</td>
<td>2.8</td>
<td>2.5 (R-L)</td>
<td>3.1</td>
</tr>
<tr>
<td></td>
<td>4 (L-R)</td>
<td></td>
<td></td>
<td>3.5 (L-R)</td>
<td>5 (MRG)</td>
</tr>
<tr>
<td>2004</td>
<td>2.2 (R-L)</td>
<td>2.2</td>
<td>2.8</td>
<td>2.6 (R-L)</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>3.8 (L-R)</td>
<td></td>
<td></td>
<td>3.4 (L-R)</td>
<td>0 (MRG)</td>
</tr>
</tbody>
</table>

Mean of Average Median 14 (MRG)

“n (R-L)” refers to the median position on a five point scale where 1 represents far ideological Right and 5 far ideological Left

“n (L-R)” refers to the median position on a five point scale where 1 represents far ideological Left and 5 far ideological Right

“n (MRG)” refers to the AES averaged median converted to the -100 to +100 Left-Right scale.
Endnotes

1. While there are different views as to how steep or persistent this international partisan decline has been, there is nonetheless strong evidence for it. See Dalton and Wattenberg 2000 for an extended analysis of international trends and evidence, and Webb, Farrell, and Holliday 2002. Some dispute the evidence for partisan decline, however. See, for example, Mair, 1997.


3. See, for example, Dalton and Wattenberg, 2000 and Franklin, 1992.


8. See, for example, McAllister, 2004; Wattenberg, 1991.


10. In fact, it has quite famously been argued that something similar will be the case even when partisan de-alignment is not an issue. The “median voter” theorem dictates that if every voter could be assigned a place on a linear scale according to their policy or ideological preference, the optimal ideological or policy position for a political party to adopt when competing with other parties for the most votes, is the position of the voter who occupies the halfway or median position in the distribution of voters on the scale. The effect of competing parties pursuing this winning strategy will be that their policy offerings all converge on the same ideological position. Ideological convergence, in other words. See Black, 1948 for a rigorous proof of this theorem, and Downs, 1957. For the original proposal, see Hotelling, 1929.

11. Throughout this monograph, the term “pragmatic policy” is not intended in the sense of policy that is practical or which gets things done, nor is the term “principled policy” used in the sense of “high-minded” or naively idealistic policy.

12. For a fuller justification for focusing on election policy texts, see Chapter Four of this monograph.

13. And a corresponding further decrease since 1998 in surveyed voters identifying with the Labor Party.

14. Commentators point to other sorts of evidence for decreased voter allegiance to Australia’s major parties. For example, Campbell Sharman notes that 44 independents were elected to lower houses in State and Federal parliaments between 1993 and 2002. This is more than twice the number elected in the previous ten years (1983-93) and three times the number for the decade 1973–83. See Sharman 2002.

15. Plato, 390BC.
16. Although this will not be entered into in any depth here, it is recognised throughout that the policies and positions a parliamentary party ultimately adopts will be a function of many influences and will have a number of possible origins. Nonetheless, it is equally important to recognise that whatever their origin, the policies a party adopts are adopted according to its perceived interests and ideals at the time in the circumstances. For a discussion of the varied sources of policy influence, see Marsh, 2000.

17. Each of these are relevant to other dimensions of principled justification, however.


19. Some argued that this did not give the Coalition greater electoral advantage. See Grattan, 2004.

20. Independent of the imperative for politics to be representative, that is.


22. That the “left-right” ideological positions of the two major Australian parties are not static or straightforward will become apparent in the next chapter.

23. For a fuller defence for using election policy launch speeches for this purpose (and related ones) refer to Chapter Four of this monograph.

24. It should be acknowledged that there will be other indicators of parties’ policy priorities. One such indicator might be the relative amount of funding the parties undertake to devote to the competing policy areas. This may give a rough indication of priorities, but it will be a qualified one given that some policy areas will be intrinsically more expensive to resource than others.


27. See Bean, et. al. 2004.


32. But not entirely, as will be noted shortly.


34. Howard, 1996.
40. There is also reason to suppose that Howard sees the economically liberal market as playing a capacitating role for the civil sphere as well, when he claims that he had never seen economic rationalism or economic efficiency as an end in itself or a stand alone political credo, but as necessary for united families and communities. See Howard, 1995.
41. Howard, 1988, p. 89.
42. These absences are of some note, since it is arguably in this matter of the degree of devolution (and why that degree) that the ALP and Liberal Party differ in their core values.
44. For details, see Rickard 2004b, p. 17.
45. Senate Community Affairs Legislation Committee, November 2003, p. 86.
46. Another trade-off reflected in the Liberal’s policy on the Medicare safety-net was in relation to economic management. The new safety-net was an expensive measure, and its costs subsequently escalated beyond projections made around the time of the 2004 election.
47. See Rickard, 2004a.
50. For example, the Labor Party’s emphasis on reconciliation, respect for difference, and its focus on employed people, compared to the greater emphasis in the Liberal Party on employers (especially small business).
52. op. cit.
54. Latham, 2004c.
55. op. cit., p. 10.
56. op. cit., p. 15.
57. ibid.
58. Approximately 40 per cent higher than existing arrangements. See “Rewarding Hard Work”, p. 10.
59. But, as was conjectured earlier, the position Labor has taken on the rebate might perhaps best be seen as a response to the fact the PHIR is a solidly entrenched feature of the Australian health-care economy, particularly at the micro-level of individuals and families calculating their life-expenses. Even though removing the rebate would be consistent with the letter of Labor principle, doing so (at least all at once) could be seen as counter-productive in various ways.

60. Rickard 2004c.

61. It might be thought that Labor did this because it would not otherwise be in a position to pay for its broader social program. But this is not the case. Governments have the option, just like individuals, of undertaking some debt to fund its preferences. Schools of thought even advocate this as a quite legitimate ongoing strategy if social circumstances call for it. The fact that the ALP did not opt for this approach suggested that its operative value was not making sure its policy program would be realised, but ostensibly ensuring it would be realised in the context of a balanced budget.

62. These case study observations will be corroborated in the next chapter by independent systematic measures of the parties’ relative ideological positions at the 2004 election.


68. See, for example, Gruen 1985. An element of this measure would very likely be comparative levels of public sector employment under different governments. On this, recent data show that the absolute number of Commonwealth public sector employees to have fallen steadily by 41 per cent between 1984 and 2005. See Australian Bureau of Statistics, 2005.

69. This MRG commenced its research under the direction of Ian Budge in 1979, and has published a series of major reports on its ongoing findings since then. These reports primarily include Budge, Robertson and Hearl, 1987; Laver & Budge 1992; Klingemann, Hofferbert, Budge, et. al., 1994; and Budge, Klingemann, Volkens, et. al., 2001.

70. However, manifesto data for Greece, Japan, Portugal and Spain was not examined for the full fifty three year period.

71. Budge, 1987. As of late 2002, the Comparative Manifestos Project (as it has now become) had analysed 2,347 manifestos of 632 significant parties in 52 countries, (the bulk of the newer countries being from Eastern Europe and Latin America). See Budge, 2002.

72. An early version of those categories was first identified and reported in the seminal work of David Robertson on party competition. See Robertson, 1976. The MRG refined these through further empirical work. The left-right categories are a subclass of a broader set of major policy areas that have been recurrently emphasised in party election manifestos between 1945 and 2001.
73. Sources, Budge, Robertson and Hearl, 1987; Laver & Budge 1992; Budge, Klingemann, Volkens, et. al., 2001. The coding framework for the content analysis supplied in these sources, specifies which policy subjects or expressions are to be counted under each of these left-right scale categories.

74. For example, Budge and Hofferbert 1990; Budge and Hofferbert 1992; Petry, F. 1995.

75. See, for example, Imbeau, Petry, and Lamari, 2001. For a discussion of the methodological issues involved in measuring a correspondence, see Chapter 2 of Budge, Klingemann, Volkens, et. al., 2001.


77. Robertson, 1976.


80. For more details of this approach, and some of its drawbacks, see Budge, 2000.

81. See McDonald and Mendes, 2001.

82. It is also of note that expert judgements of party ideology encompasses not just parties’ election statements, but also their policy actions and later party behaviour. The fact that the MRG scales - based on election statements - provide ideological positions that match expert judgements, further weakens the criticism that the MRG scales are inaccurate measures of ideology because they are confined to policy speeches and do not encompass what parties do.

83. Notwithstanding this, it should be kept in mind that the mappings produced in this current text are the result of codings performed by one person (albeit in conformity with the prescribed Manifesto Coding Instructions, and with each speech coded twice). Coding of the same speech material by a number of others might result in less “person specific” frequencies.

84. As identified in Budge, Klingemann and Volkens, et. al., 2001. Other analyses and spatial mappings also exist for many of these elections. See Budge, Robertson and Hearl, 1987; and McAllister and Moore, 1991. The Budge, Klingemann and Volkens, et. al., 2001 analysis mapped here is the most recent and extensive, however.

85. The strongest focus (at 20 per cent of all non-economic policy references) placed on environmental issues by either the Liberals or Labor in policy launch speeches between 1993 and 2004 (with Keating in second place at 15 per cent in 1996).

86. See note 10 above.

87. There is, however, a dependent one based on the MRG measures. See Kim and Fording 1998. For the purposes of expressing the relationship between voters’ ideology and party ideology (using MRG techniques), an MRG independent measure of voter ideology would methodologically be called for.

88. Based on responses to the Australian Election Studies questions “In politics, people talk about ‘left’ and ‘right’. Generally speaking, where would you place your views on this left right scale?”; and “Generally speaking, do you usually think of yourself as Liberal, Labor, National or what?”
Endnotes

89. This index is largely based on one utilised in Charnock and Ellis, 2004, though there are differences.

90. The questions are: “The trade unions in this country have too much power”; “Big business has too much power”; “Income and wealth should be redistributed towards ordinary working people”; and “If the government had a choice between reducing taxes and spending more on social services, which do you think it should do?”. The questions all call for a response on a 1–5 scale (the first three on the scale “strongly agree – strongly disagree”, the last on the scale “strongly for reducing tax – strongly for social services”). On the first and last question, a response of 1 is counted as ideologically right, moving through to 5 as left. On the second and third question 1 is counted as left, moving through to 5 as right.

91. So, within the limits of the measures and findings here, Hotelling’s median voter theorem is not confirmed for parties’ economic positions.
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