



# RESEARCH NOTE

Number 28, 2001–02  
ISSN 1328-8016

## Socialism in Australian National Politics

### Socialism

Socialists since Count Claude-Henri de Saint-Simon and Robert Owen have argued that each person begins as the moral equal of every other and therefore has an equal claim to enjoy the resources of society.

Socialists see society primarily in economic terms:

- society as a hierarchy of economic classes
- economic and political institutions as serving the interests of the most powerful class, and
- capitalist economic and political institutions as disadvantaging the working class which sells its labour, while promoting the interests of owners share-holders and managers who buy labour.<sup>1</sup>

Socialists therefore seek to equalise the distribution of power and wealth. However, they differ in their views of the means necessary to achieve equality.

Democratic or evolutionary socialists, such as Eduard Bernstein, have argued for a redistribution of the wealth generated by capitalism through constitutional and democratic institutions such as Parliament. According to Bernstein, socialists ought to use existing political and economic institutions to implement their policies.

Democratic socialist ideas are often heard in the claims of unions for increases in wages and better working conditions, through arbitration and political representation.

Socialists therefore seek to use government to bring about the conditions they desire.

However, they have been among the most vociferous critics of government when it threatens community interests in general, and working class interests in particular.

By contrast, revolutionary socialists argue that true equality can only be achieved through the overthrow of capitalist institutions. Revolutionary

socialists call for the abolition of capitalist political and economic structures such as parliamentary democracy and private property. This school of socialism takes its inspiration from Marxist and syndicalist political theory, and has been prominent in recent denunciations of global capitalism.

### Socialism in Australia

Both democratic and revolutionary schools of socialism have influenced Australian national politics.

The main source of democratic socialist ideas within the Commonwealth Parliament have been the policies of the Australian Labor Party (ALP). Labor's program has been democratic in:

- acknowledging the authority of existing constitutional arrangements even when disapproving of them
- aiming to redress specific circumstances, rather than attempting to implement an all-encompassing vision, and
- operating within a political culture that, for the most part, has viewed government activity as properly providing a substantial range of services.

In a society that accepts and even expects government activity, Labor's democratic socialism can be difficult to distinguish from the welfare brand of liberalism that has dominated non-Labor politics.<sup>2</sup> However, Labor's platforms may be said to have been 'socialist' in so far as many of its members have:

- seen society as consisting of classes rather than individuals
- tended to argue for constitutional arrangements that enhance, rather than inhibit, national executive power, and
- set a wider scope, and have resorted with greater readiness, to government activity, than

members of other parliamentary parties.

Revolutionary socialism has exerted a more indirect influence upon national politics than its democratic counterpart. Revolutionary socialism has operated chiefly through unions under the control of organisations such as the Industrial Workers of the World, which was active through the 1910s, and the Communist Party of Australia, which influenced federal politics from the 1920s to the 1960s.

Radical socialism has been seen in activities by the Seamen's Union in the mid 1920s and the coal miners strike immediately before the 1949 election. Radical socialism has tended to undermine the success of its reformist counterpart rather than achieve its own stated objectives.

### The double-edged sword

The association of Labor with socialism has been a double-edged sword. On the one hand, unions have provided Labor with a readily identifiable constituency, a definite policy direction and vital organisational skills. On the other hand, non-Labor parties have denounced Labor's democratic socialism as the politics of envy. This strategy by opponents has played upon community concerns that Labor's policies are made without public debate by extra-parliamentary organisations such as unions. In linking Labor with radical unions, for a long time non-Labor parties were able to blur the distinction between democratic and revolutionary socialism in the minds of electors. This tactic was developed in the first decade after Federation when Labor faced an on-going campaign begun by George Reid in 1904 to link it to the 'socialist tiger', and variants are still to be heard.

From an early stage, the ALP had disputes between those who pushed for the implementation of socialist

policies, and those who preferred to tone down the party's ideology. The clearest instance of this internal debate occurred at the ALP Conference of 1921. On the one hand, the Conference adopted a platform to institute a soviet-style Supreme Economic Council. On the other, the Conference produced the Blackburn Declaration stating that the party did not seek to abolish private property, and would pursue collective ownership only in limited cases.

Despite the Blackburn Declaration, Labor's opponents continued to claim that as a 'socialist' party, it was a danger to the Australian community. Echoes of this were heard as late as 1983, when a few Liberal Party members warned of consequences of the election of the 'socialist' Hawke Labor Government. Some Labor politicians have attempted to counter such claims by describing their party as a 'social-democratic'.

### The impact of socialist ideas

Despite this long-standing argument over socialism, both within and without the Labor Party, socialist ideas have had an impact in Australia. The importance attributed to equality, and a readiness to call upon the public sector to produce private goods and services, are elements embedded in the Australian political make-up that are conducive to socialist values. The development of what became known as the 'welfare state' owed a lot to socialist intellectuals in Australia and overseas. This called for the implementation of policies designed to promote and protect the social interests of all members of society. The state should be prepared to intervene to limit or to modify the impact on individuals of the free operation of market forces. Although an early Queensland Labor Government established state-run butcher shops, generally this has meant the provision of a

range of state-funded broad-based welfare policies, such as pensions and other benefits, state-run schools and hospitals, and publicly-funded university education. The Labor Party's establishment of the Commonwealth Bank (1911) was a practical example of such an approach—'it was to be a bank belonging to the people', according to Prime Minister Fisher.<sup>3</sup>

Such state interventionism advanced pragmatically and unobtrusively, and was not limited to ALP governments. Over the years much has been put in place by non-Labor governments as the result of empirical responses to specific problems. Such governments would have vehemently denied that they were in way 'socialist' in their thinking. The Pensioner Medical Service (1950) introduced by the Menzies Government is an example. A central aim of the (Country) National Party has always been government support for rural communities in such matters as controls over telephone prices or the establishment of 'orderly marketing' schemes.

### The shift from state intervention

Since the late 1970s there has been a marked, though not total, shift away from the ideas of state intervention.

Within the Liberal Party, this was seen most clearly in the struggles in mid-1980s between the so-called 'wets' who preferred to retain and extend such programmes, and the 'dries' who became known as the 'economic rationalists'. The coming to Liberal leadership of John Hewson (1990) signalled a major change in the Liberal approach to such matters.

This shift in government standpoint was seen also in the ALP. The Hawke and Keating administrations of the 1980s and 1990s were challenged by many within their party as deserting socialist

principles because they favoured a system of indirect taxation, the sale of some public utilities, deregulation the financial system, and reduced levels of protection.

From the mid 1990s, attempts to redefine Labor Party values in terms of democratic socialism have produced theories of a 'third way'. Third Way socialism looks to government to provide funds directly to consumers who then choose between public and private service providers. It is distinct from welfare socialism in requiring a rather more entrepreneurial, yet hands-off, role for government, rather than it becoming an active player.

The pragmatic character of Australian socialism is apparent in Labor's changing policies to suit a changing environment. Perhaps the most notable change has been a move from ideas of class solidarity to national solidarity, and from demands for a greater equality in the distribution of wealth to demands for a greater equality of opportunity.

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19 February 2002

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1. This research note summarises a large body of literature on socialism. See, for example, T. Ball and R. Dagger, *Political Ideologies and the Democratic Ideal*, HarperCollins, New York, 1995; A. Calwell, *Labor's Role in Modern Society*, Landsdowne, Melbourne, 1965, R. McMullan, *The Light on the Hill: The Australian Labor Party 1891–1991*, OUP, Oxford, 1991.
2. See, G. Worthington, 'Liberalism in Australian National Politics', *Research Note*, Department of Parliamentary Library, 2001–02.
3. *Commonwealth Parliamentary Debates*, 1911, vol. 62, p. 2644.