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Keywords

neoliberalism, class, colonial, legacies, muting, australia

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Keywords: class, colonialism, culture, equality, governmentality, state, Australia

Introduction

What sort of peculiar capitalist country is this, in which the workers’ representatives, predominate... and yet the capitalist system is in no danger?... Australia is a young British colony. Capitalism in Australia is still quite youthful. The country is only just taking shape as an independent state. The workers are for the most part emigrants from Britain...

Naturally, when Australia is finally developed and consolidated as an independent capitalist

state, the condition of the workers will change... Australia is an illustration of the conditions under which *exceptions* to the rule are possible. (Lenin, 1913, 216-217)

Writing almost exactly a century ago, Lenin portrayed Australia as an immature British colony, not yet ready for socialism. The country was run by a workers' political party, the (liberalist) Labor Party, who had come into force "by virtue of specific conditions that are abnormal for capitalism in general". Australia was an infant capitalist nation – unlike Britain, a long established state where the industrial revolution was in full swing (and where the labor movement's aims had become more overtly socialist). With infancy came, according to Lenin, an immature class politics: low levels of militancy, and a pacifist workers' party, the Australian Labor Party (ALP), ruled by immigrant British trade union officials ("a most moderate and 'capital serving' element"). Although they introduced a raft of progressive measures: uniform labor laws, tariff protection and universal education, the ALP did not ultimately contest the status of capital. Lenin's view was that only in time would Australian capitalism become more fully developed, and workers adopt a more adversary, and formal socialist position.

A century later, it is no longer possible to describe Australia as an "undeveloped, young country." Australia is globalized, multicultural, technologically advanced, politically independent and deeply connected to European, American and Asian capital flows through its roles in the finance, tourism, entertainment, agrifood and resource industries. Although the ALP absorbed communist elements in the 1920s and again in the 1960s, it never became the true socialist workers' party as Lenin predicted. Yet some of what Lenin described remains eerily accurate: Australia remains adverse to class conflict, a steadfastly liberal-social democratic country in which union officials still hold sway over the ALP (many of whom are certainly "capital serving") – a nation of immigrants in which the notions of "mateship" and "a fair go" (i.e. camaraderie and equality of opportunity) remain unifying rhetorical devices. Notwithstanding more recent conflicts over Aboriginal land rights, climate change

and refugee policy, the political culture remains for the most part, as it did a century ago, “altogether peaceful”.

Nevertheless, class divisions do persist, Aboriginal communities remain severely disadvantaged, and racism is prevalent, along with other forms of oppression (Forrest and Dunn 2006; Hirst 2012). Although income inequality is not as extreme as in the United States, it has slowly but steadily risen, seemingly independently of which side of politics is in power nationally (Figure 1). A profound tension therefore underpins the Australian experience. On the one hand, Australia has been an idealist social democratic experiment in the South Pacific: a suburban, beachside country with good public schools, fine weather and universal health care. It is where first majority labor government in the world was elected (in 1910). For generations of Brits fleeing that country’s deindustrializing North, and later for refugees from southern Europe, the Middle East and Vietnam, it became an idealized destination, a place to rebuild lives with working-class respectability and prosperity, amidst political stability. On the other hand, a specific mix of capitalist dynamics and colonial legacies lingers, intensifying inequalities. This combination structures Australia as a destination for investment and a source of global resource extraction, but also unsettles the conditions for continual accumulation, and motivates the state to continue its omnipresent role in managing economic affairs. The latest rounds of restructuring in Australia have amplified the intensity of its incorporation into global flows of resources, finance and capital – with resulting implications for the role of the state, for income and regional inequalities, and for the concentration of wealth and power.

In the piece I tease out this tension in relation to neoliberalism and the contemporary policy landscape. My overriding argument is that in Australia neoliberalism has not “replaced” or “displaced” existing political values. Rather it mutated with, and has been muted by, pre-existing social democratic values, as well as hegemonic governmentalities that characterize the ongoing colonial/capitalist project in Australia. Neoliberalism has intensified inequality, but not “lessened”

the role of the state. We have seen other complexities too: “inversions” of class identities, politics and wages; but also the survival (and reinvigoration) of remnants of the Australian social democratic tradition. Australia like just about everywhere else has experimented with neoliberalism (see O’Neill and Weller, this issue) but exactly how, and how far-reaching its effects have been felt, is tempered by this nation’s peculiar colonial, geographical and cultural inheritances. This paper is about those inheritances and how they play out as a broader terrain upon which economic policy experiments have been conducted.

At the outset it is worth stating that my concern is not with downplaying the real power of neoliberal thought and actors. Here, as elsewhere, injustice is rife and neoliberal economic and social policies have contributed significantly to this (cf. Stilwell and Jordan 2007). Income inequalities in Australia remain high in no small part because of the influence of pro-market thinking on the management of redistributive arrangements (taxation, welfare benefits etc). Put short, neoliberal policies in Australia, as elsewhere, favour the wealthy and punish the poor. And alarmingly, market ideals are still presented by politicians and in the media as “neutral” and “inevitable”, despite all the evidence to the contrary. The question is, however, whether as scholars we choose to focus only on the pervasiveness and destructiveness of neoliberalist policies, at the expense of finer-grained geographical analysis of whether, and how, neoliberalism has been transmuted or contested in varying cultural contexts (Gibson et al 2008; Peck and Theodore 2010). If neoliberalism is itself to be countered, then it needs to be rendered a peculiar historical artifact, rather than a “natural” conclusion, and its genealogy situated in a broader contestation of ideas and alternatives.

What this paper is especially concerned with is to understand Australian neoliberalism amidst other legacies, and forms of governmental culture, which have endured throughout the neoliberal epoch. In Australia there are vernacular forms of social democratic politics that are both far from obsolete, and worth discussing (for their progressive political potential, and for their limits and contradictions). But this is also a country where “nation-building” is not just a form of political

rhetoric, but a literal process of building a national space-economy, the state apparatus stewarding development across a continent where the colonial project remains unfinished. This more complex picture of jostling ideologies and legacies helps explain how Australia comes to occupy its peculiar position: not quite as neoliberal as the United States or United Kingdom, not quite as interventionist as some northern European countries – and yet also made more complex by questions of remoteness and culture. While agents of neoliberalism might imagine (or strategically depict) geographical space as neutral, homogenous or flexible – something to be rolled out in universal fashion across the world – the truth is that geography is both unpredictable and sticky. Things often stubbornly stay the same in places, despite attempts to dismantle previous regimes (Massey 2005; Castree 2006). Australia exemplifies this, as new contradictions and inequalities overlay old ones, and as attempts at reform throughout different eras have jostled uneasily with this country's extant realities, and its population's ingrained beliefs, priorities and norms. This is not to say that the neoliberal agenda has been unintentional or incoherent (cf. Peet 2012), but rather to suggest that overt attempts to steer Australian policy regimes in favour of the wealthiest have had to jostle with competing beliefs and priorities. One part of a critical and constructive intellectual response to neoliberalism is thus to examine exactly how enduring alternatives to neoliberalism have been, within a broader conversation about the on-going purpose and role of the democratic state.

What follows is admittedly a rambling essay, in which I do not seek to present a singular or tight theoretical approach. My analysis is informed by my long-held concern with how the contradictions of capitalism are intertwined with on-going colonial legacies in the Australian context (Gibson 1999). I am influenced by Lefebvre (1991) on the sense in which the Australian space-economy is continually produced: enabling territory to be viewed as dialectically bound through colonizing state actions, spatial practices, and perceptions (Kipfer et al 2013). Comparative political economy provides another vantage (e.g. Challies and Murray 2008), as does conceptual and empirical analysis of variegated neoliberalism and the contingent and qualitative state (see for example, O'Neill 2004; Peck and Theodore 2007). This literature also chimes with discussions of the path dependency of

policy development and transfer (Peck and Theodore 2010) and the need for critical realist research to drill-down “all the way down” (Castree 2006:5) in explaining how neoliberalization operates, in practice. Governing space requires experts, actors, technologies, policies – as well as ideologies that more or less cohere in time and place to form *a project*, a “process of policy constructivism [that] is deliberative and intentional” (Peet 2012: 158; see also Connell 2003; Mitchell 2008; Prince and Dufty 2009). But the Australian case also urges us to recognize deeper geographical legacies – especially that of colonialism. The overall intent here is to develop an analytical frame which confronts the ongoing capitalist *and* colonial projects in Australia (Gibbs 2003; Lawrence 2005; O’Faircheallaigh 2006; Pollard, et al 2009). Within such a view, the policy landscape must be understood in terms of both continuing capitalist and colonial legacies, a combination *producing* Australia as territory, rather than as a pre-existing, bounded physical geographical space.

Great Southern Land?

The experience of modern capitalism on this continent began with European explorations during the Enlightenment (not discounting much older, earlier colonizations and trading routes established by indigenous peoples), and the subsequent onset of the industrial revolution. This was a time when ‘the Pacific became something of a laboratory for the [European] testing of scientific methodologies’ (Livingstone 2000: 246). Even before they were fully traversed and mapped by Europeans, the Antipodes were considered an inversion of northern civility, nature and norms, a ‘place of perversity’ (Ryan 1996: 105). The lure was an imagined great southern continent – *terres australes* – believed to span the globe beneath the continents of Africa, America and Asia. Conjecture was rife about the places and societies of the south, with stories of untold riches and potentially vital geopolitical strategic sites. Australia was remote, disconnected, savage – the archetypal product of the European Orientalist gaze. Captain James Cook’s voyage of the 1760s and 1770s resulted in the surveying of Aotearoa (as New Zealand was known to Māori) and mapping of Fiji and the New Hebrides (Vanuatu); the naming of New Caledonia and the claiming of New Holland (as Australia was then

known). Native inhabitants were variously described as “degraded” or “savages”, occupying a place ‘at the edge of humanity’ (Anderson 2007).

The story of Australia as the penal dumping ground for Britain’s criminal underclass is well told (see Hughes 1987). What matters more for discussions here is how this convict nation metamorphosed into a peculiar colonial/capitalist state project, as Britain consolidated its role in the Pacific in the mid-1800s. Never actually a mere penal settlement, Australia became an important geopolitical site, a contributor of raw materials to a newly industrializing Britain (and exploiting convict labour, rather than slaves), and an attractive destination for poor British workers escaping that country’s repeated economic collapses and endemic class structure. It was a bold experiment in building a new British continental dominion in the wake of the independence of the United States. Sydney was its chief port and a key link in enclosing Britain’s nascent global trading routes. It was, as renowned Australian novelist David Malouf (2003:32) has put it, “the most ambitious, but also, in the event, the most successful colonising venture ever undertaken by a European power”.

The textile mills, heavy industry and shipbuilding yards of rapidly growing northern English towns all required vast quantities of inputs, transported from Australia and elsewhere. Pastoral and mining activities were expanded (or more accurately, were *allowed* to expand in a largely unregulated and invariably damaging manner as far as indigenous peoples were concerned), and Britain poured people and capital into the building of capital cities, ports and railways. The Westminster system of government was replicated, populations grew and cities were built through strong central (colonial) investment. A new form of imposed industrial capitalism, interwoven with central (and trans-continental) colonial government, delivered the fruits of Antipodean colonialism long-promised as part of the myth of *Terra Australis*. Accompanying this was the persistence of a more deeply exploitative racist undercurrent. Indigenous peoples continued to be denigrated, presumed to be sub-human, less advanced, or in the process of becoming extinct, and thus their sovereign rights were downplayed or ignored as the regulatory mechanisms of accumulation – land use and property

ownership systems, labor laws, citizenship – were orchestrated, imposed and enforced in very specific ways (and not without complexities and contradictions – cf. Mitchell 2008). Widespread dispossession of Aboriginal people accompanied the re-imagining of *Terra Australis* as productive supplier of raw materials for the colonial center – conceiving space as “an empty, malleable grid to be improved” (Kipfer et al 2013:122) rather than one already populated and woven into Indigenous cultural, political and economic systems.

The dependent relationship with Britain altered with the formal Federation of the previously separate colonies (now states of Australia) in 1901, well after the Gold Rushes of the 19th Century had bestowed the colony with a viable (non-Aboriginal) on-going population. Then, more markedly, a distinctive Australian political culture and state-territorial project emerged in the first half of the twentieth century, amidst war. In 1915, under British direction, Australia “invaded a weak Muslim nation [Turkey], which did not threaten Australia,” (Mosler 2004: 41) leading to slaughter on the beaches of Gallipoli. Then in the Great Depression “the British creditors mercilessly squeezed their Australian debtors and the Mother Country was unable to defend Australia after the fall of Singapore in 1942” (Mosler 2004: 41). The flow of state investment from London diminished, and in “the light of the fading certainties of the imperial world” (Ward 2005: 1), an Australian state apparatus would emerge, to continue the project of securing the colonial presence, in turn assuming the mantle of managers of economic development.

This ushered in an era of centralized and nationalist infrastructure projects in the early 1910s and the inter-war period – largely the product of successive ALP governments, and funded from the newly created capital city, Canberra. Such projects included early welfare state initiatives: maternity allowances and old aged and disability pensions in 1910; a national government-owned bank (in 1911); child endowment payments (1941); widow’s pensions (1942); unemployment benefits (1945); population decentralization schemes (1930s, 1950s-1970s), soldier resettlement land grants (after both World Wars I and II), the trans-Australian railway (1912-17), major dams to support capital

cities (e.g. Warragamba, outside Sydney, completed in 1960), widespread new public housing under the auspices of several Commonwealth State Housing Agreements (1945-1980), and the Murrumbidgee Irrigation Area (1912-1970s) and Snowy Mountains Hydroelectric (1949-1974) schemes. The Commonwealth Scientific and Industrial Research Organisation (CSIRO) was established in 1926 as a form of direct government investment in innovation for future industrial growth.

Behind all this was a combination of Keynesian principles and colonial anxieties, as governments sought variously to ameliorate the terrors of the Great Depression, to populate the interior and the vulnerable north (fuelled by fears of Indonesian or Chinese invasion), and to build industrial capacity – in steel, automobiles, agribusiness – for reasons of military strength, full employment, food security and industrial self-sufficiency (Dufty 2008; O’Gorman 2012). The continent needed to be peopled, educated and employed, its profound spatial challenges confronted and conquered. Direct government investment in industrial development operated as de facto geopolitical strategy, and welfare provision operated as de facto internal spatial population policy (Dufty and Gibson 2010). Above all was the loitering anxiety to transform a remote, sparsely-populated colony into a civilized industrial nation-state with continental permanence.

This was perhaps no better epitomized than in the Snowy Mountains scheme, the grandest engineering scheme on this continent to date (McHugh 1989). It turned the nation’s highest mountain range and its most significant river system into one gigantic industrial agricultural and energy generation complex, with sixteen major dams, seven power stations, and hundreds of kilometers of tunnels, pipelines and aqueducts. Its construction fuelled new construction and intensive agricultural industries (rice, cotton, citrus), and would require fundamental changes in immigration policies, opening up the previously steadfastly “White Australia” to new arrivals from southern Europe, for the simple need of their physical labor. The Snowy Mountains scheme is to this day still seen as iconic, a defining point in Australian history, and an important symbol of

independence, modernity, multicultural comradeship, and resourcefulness. It “quietly and unobtrusively gave established Australians the opportunity to see firsthand for themselves how, in an isolated setting, foreign workers could be seen to be working and building together” (Griffin 2003:45).

As in nearby New Zealand (Peet 2012), centralization of the economy was pivotal to post-war development, and the welfare state gradually expanded. Universal health care and free tertiary education followed in the 1970s. Successive immigration policies following World War II had explicit links to developmental objectives: first to provide labour for the (state-underwritten) steel, textiles, energy and manufacturing industries; later to poach the best brains for information technology, finance and telecommunications sectors; and most recently to work on temporary visas in often low-paid, seasonal and sometimes hazardous industries such as mining, fruit-picking and tourism (Hugo 2002; Khoo et al 2003). Strong subsidies and promises of guaranteed work and housing made moving to Australia virtually cost-free (epitomized by the “ten pound pom” scheme) and were aided by the prospects of low crime, public safety, warm weather and a high standard of living for the working classes. Australia offered “an enlightenment sense of moderation... a transplanted form of England itself” (Craven 2003: iii-iv), only with better weather and beaches. Although Britain retreated from her commitments to Australia, its influence would persist in a population of working-class immigrants, a political culture of moderated social democracy, and a form of government/colonial state entanglement in the management of industrial development.

Antipodean particularities

The distinctiveness of some local political institutions and structures cannot be underestimated. Voting in state and federal government elections was made compulsory in the 1920s, something most Australians still view as positive (much to the bewilderment of many outsiders). Compulsory voting (and preferential voting of candidates on the ballot paper, from 1918 onwards) would both limit the farce of American-style fanfare elections, and produce a kind of political stalemate, not

exactly the exclusionary “consensus” as meant by Rancière in his denouncement of post-political democracy (see Davidson, forthcoming), but nonetheless a persistent sense of déjà vu as left and right sides of politics tend towards ‘middling’ policies aimed at an elusive minority of ‘swinging’ voters (see also O’Neill and Weller, this issue).

Another such institution has been compulsory arbitration of industrial disputes, which began with the establishment of the Australian Conciliation and Arbitration Commission in 1904, eventually leading to wage indexation (introduced in 1975) as the main method of wage fixing, and a series of industry-based Awards. This was a “highly interventionist system of industrial relations... set apart from the industrial relations environment in other Western economies” (Weller 2009: 901). It contributed further to the a kind of stalemate in industrial politics until later attempts to deregulate industrial relations in the 1990s and 2000s (see Weller 2009), but also led to an enduring link – and cultural expectation on the part of the Australian population – between formal wage determination and considerations of costs of living. Maintenance of occupational wage relativities (based on need and skill) “brought stability to the nation’s industrial structure... and sheltered weaker segments of the labour market” (Weller 2009: 204). Although later neoliberalisations sought to dismantle much of this (see below), the centralized wage fixation system persisted long enough to further cement in the national culture a set of expectations about “fairness” and the need for governments to intervene in labor markets to secure underlying conditions for a decent quality of life.

Colonial and capitalist imperatives also combined to produce a distinctively Australian governmental policy directive towards regional socio-spatial equality. The pursuit of socio-spatial equality has been a perennial feature of Australia’s history as a federated political entity, necessary for the security of government across the continent (Dufty, 2008). Originally a collection of previously independent colonies, Australia enshrined fiscal equalization responsibilities in its 1901 constitution. This was a necessary structural compromise: to prevent revolt of the states against federal monopoly over taxation, redistribution had to be enshrined constitutionally. Fiscal equalization compelled federal

governments (who raised taxes) to distribute funding to the original colonial states (who provided the bulk of services) in a differential manner depending on a range of factors that influenced the states' ability to provide services equitably. Without this arrangement the previously independent Australian colonies might never had agreed to federate. Formal mechanisms of spatial redistribution were, in other words, central and necessary for the embryonic task of nation-building.

This legacy remains in the contemporary structure of federal-to-state finance, interpreted as a broader commitment to equality of service provision across Australia's vast geographical space. Geographically-large states and those with higher numbers of highly-disadvantaged social groups (like Western Australia and the Northern Territory, both of which are very large and have substantial Indigenous populations) have through this means consistently received substantially more annual per capita funding for services. In the case of the Northern Territory, it has regularly received over four times the amount of annual funding per person compared with southern states (Crough 1993:96). Australian governments have consistently sought to overcome problems of space through redistribution mechanisms that equalize national space administratively, evening out the 'playing field' otherwise made disadvantageous by distance, international economic volatility and differing regional economic fortunes.

Meanwhile, class identities and socio-economic positions have become more complex – even “inverted”. Statistics on income inequality (Figure 1) mask the extent to which wealth only partially maps onto social class. Predictably, corporate executives and “super-gentrifying” classes of finance, insurance, legal and baking professionals remain the highest paid (cf. Lees 2003), but elsewhere real incomes vary with the extent of union organizing (Stilwell and Jordan 2007). Nowadays mining and construction workers, with highly organized unions, are among the nation's highest paid waged workers. Although increasingly subject to fly-in, fly-out working arrangements, which can have deleterious effects on both home families and on remote communities (McIntosh 2012), mining and construction workers are backed by collective wage bargaining agreements, closed shop worksites

and the nation's most militant union branches. Some proportion of the wealth that has poured from massive exports of minerals has been successfully captured by increasingly sophisticated and well-organized unions. Yet even where mining-related incomes are high, quality of living is often compromised by exorbitant housing costs, which have escalated even throughout the global financial crisis – a departure from the experiences in Europe and the United States. Ten years ago there were no Australian cities among the world's 50 most costly cities. Now, both Sydney (3rd) and Melbourne (5th) are among the world's most expensive (The Economist 2013), and comparable housing costs can be found wherever unionized employment in the mining and construction sectors is high (even in small, remote mining towns).

Further complications have ensued locally because right-wing politicians have been able to tap into anti-immigration and anti-refugee sentiment in traditionally working-class regions: in much of the ALP's traditional heartland (middle and outer suburban areas of capital cities) the local sitting members of parliament are often now from the (conservative) Liberal party. The most politically-left electorates (and the only ones to support avowedly socialist candidates in state and federal elections) are gentrified, middle-class seats in the inner-cities of Sydney and Melbourne with concentrated populations of academics, health professionals and workers in the cultural and broadcasting industries.

An Australian working-class culture with distinct inflections has existed since the establishment of the labor movement over a century ago, and it survives to the present day, but this is now arguably shaped by identity politics as much as industrial politics – a question of vernacular culture and the marking of 'rough' working-class bodies in popular discourse, rather than a strict socio-economic definition (Dowling 2009; Pini et al 2012). Working-classness persists as both lived culture and socially-constructed discourse, even when working-class incomes might be high. At the bottom of the income scale are instead a comparatively small (by western standards) social underclass, including many indigenous families, the drug addicted, disabled, and long-term unemployed, and

economically vulnerable population fragments working instead without union protection in retail, in intermittent contract and part-time work in the service and tourism sectors. The “altogether peaceful” and politically mild country Lenin observed a century before has endured two world wars (and two American ones), industrialization and globalization – though not without new layers of contradiction and inequality.

Neoliberalism: Australian experiments

In a nation like Australia, the State lays down rules for the journeys of economic geography, governs their conduct, picks up many of the costs (especially the unforeseen ones) and, importantly, defines the possible routes. (O’Neill and Fagan 2006: 205)

After nascent moves towards deregulation in the 1970s, what we might call neoliberal approaches to government emerged in Australia in the early 1980s under an ALP government who ruled for the better part of two decades. Some elements were then amplified by the succeeding (conservative) Howard Liberal government (1996-2007). Neoliberal policy shifts were associated with the rise of global trade, the promotion of market based regulatory mechanisms, the ascendancy of individualism, and broad structural changes in the world economy that followed the post war boom in the 1970s. As one might expect, the application of neoliberal governmentalities by Australian governments was manifest in policies and public sector changes that emphasized economic efficiency, privatization and budget surpluses in service of favorable ratings with international debt agencies: ‘Increasingly, Commonwealth, State and local governments opted for market-led solutions in deciding how to best allocate and deliver the limited resources available for public services and infrastructure’ (Tonts, 2000, p. 61). Structural reforms were introduced across a range of state and federal government activities, from banking and financial regulation to health, welfare provision, employment schemes and the telecommunications sector. The national bank, airline and telecommunications company were all successively privatized, as were some (but not all) metropolitan and national railways and prisons. Some forms of state and local service provision were

outsourced (aged care, garbage collection, unemployment services) and others severely constrained in funding. Other moves were less strictly neoliberal – in the sense of being pinned to the rhetoric of market efficiency – and were more blatant attempts by conservative politicians to simply stack redistribution in favor of the rich, such as when the Howard Government increased already-generous subsidies for elite private schools.

At the outset, as O'Neill and Argent (2005) have pointed out, the Australian experience differed from the roll-out of neoliberal policies in the northern hemisphere, because early deregulations and reforms were undertaken by a previously social welfarist Federal ALP government, who sought to mediate the advent of globalization with commitments to redistribution goals. Meanwhile the subsequent conservative Liberal/National Party government, who sought more extreme neoliberal changes, was for most of its 11-year term hamstrung by a hostile senate which amended and hybridized much of the neoliberal legislative reform process. At various times since the 1980s ALP stalwarts have (rightly) denounced the party's shift to the political center, appeasement to the wealthy, and muting of social justice philosophies – even as far as to suggest that Australian social democracy was effectively dead (e.g. Hamilton 2006). But this has not been the same thing as a retreat from the central role of government in managing the Australian economy. As O'Neill and Fagan (2006:204) put it: “there has been no simple roll-out of neoliberalism in Australia... despite powerful re-scalings to both global and local levels over the past three decades, there is no evidence of a diminished role for the nation State”. While neoliberalism assumes the ascendancy of market forces, the pivotal role of the colonial/capitalist state in securing accumulation and managing redistribution, both socially and spatially, remains. In a country like Australia – remote, sparsely populated, with challenging climate, poor soils and unreliable rainfall – the nation is never wholly stable or “natural”, but rather is continually reproduced, and validated by the actions of government and the intertwining of ideologies, policies, legal and administrative structures (Lefebvre 1991). In this regard, nothing has changed with the coming of neoliberalism. Proponents of neoliberalism

have more accurately sought to alter the underlying principles and values upon which the conditions of accumulation and redistribution are set.

For example, neoliberal governmental strategies introduced in the 1990s still sought to address Australia's problems of distance and enormous space. It was the manner in which they attempted this that shifted: governments progressively sought to remove spatial impediments in different ways—by presuming or aspiring to forms of aspatiality, in contrast to fiscal equalization principles. That is, they sought to: (a) annihilate the economic and political costs of space (for example through promoting hypermobility of people, goods, infrastructures and services); (b) homogenize space (for example, re-imagining internally differentiated polities as spatially uniform 'markets'); (c) supersede space (for example, by dismantling national regulatory mechanisms and encouraging international trade); or (d) re-arrange space, downplaying the importance of local specificity, by for example generating cost efficiencies through closure of regional government offices and centralizing tasks (Dufty 2008; Gibson et al 2008; Weller 2009). Neoliberal strategies were put forward as broad, overarching policy instruments—technologies of a particular governmental rationality depicted as occurring at the supra-metropolitan or national scale, often replacing state-sponsored decentralization, regional development and place-based interventionist efforts (Beer et al., 2005). Diverse regions whose citizens had specific, and uneven social needs were re-imagined as markets populated by consumers—"rational" economic actors seeking similar products from service providers, guided by principles of competition, choice and perfect knowledge (Larner, 1997; Dufty, 2008). In Australia, governments with new neoliberal objectives thus sought to reconstruct geographical scales and reinvent jurisdictional spaces – though they did so while keeping intact the hegemony of the state apparatus over the stewardship of economic management. It was still a continent that needed to be peopled, educated and employed, its profound spatial challenges confronted and conquered – but now through recourse to a different set of principles.

Another illustration is how both ALP and Liberal governments have since the 1980s played a key role in creating advantageous conditions for accumulation, promoting especially the expansion of mining – regulating and encouraging exploration and extraction, and directing new large scale infrastructure (ports, railways) towards mining exports. For all its contemporary cultural diversity, high levels of literacy and technological savvy, Australia is still in many ways a resource periphery nation-state (cf. Challies and Murray 2008), caught in a continual process of colonizing and exploiting raw space, securing resources for profit.

The point is, however, that a comparatively strong state is required to make this possible, just as it was in the inter-war period when government sought to populate the interior, secure new vast irrigated farmland or water resources. As O’Neill (2004:257) argued, the state plays “an indispensable role in the creation, governance, and conduct of markets.” The federal government has maintained its strong role, omnipotent since colonization, in shaping economic development priorities, either directly, or indirectly, through ostensibly “independent” and “rational” institutions established by legislative acts. These include the Reserve Bank, the Australian Securities and Investment Commission; and the ominously named Productivity Commission (“the Australian Government’s independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians... its role, expressed simply, is to help governments make better policies in the long term interest of the Australian community”). Such institutions remain wedded to a notion of government navigation and setting of priorities “in the national interest”.

The case of the CSIRO is instructive here: whereas in New Zealand its Department of Scientific and Industrial Research (DSIR) was in 1992 broken up into autonomous Crown Research Institutes (that were forced to bid competitively for funding) and in the UK the British Government Defence laboratories (DERA) were privatized (floated on the London Stock Exchange in 2006, as QinetiQ), the CSIRO was instead reorganized and structured more clearly around national “flagship” problems.

The result was a more ‘accountability-focused’ approach that jarred with many bench-scientists, but one that nevertheless averted the imperative to privatize, and indeed resulted in substantially *increased* public funding for scientific research under the conservative Howard government of the early 2000s (see Sandland and Thompson 2012). The CSIRO remains Australia’s largest single research institution, with three-quarters of its funding from the Federal Government. The close relationship between national government and stewardship of national private sector industrial innovation is transparent.

Counter-balancing neoliberal imperatives is that governments have in the Australian context needed to maintain legitimacy through appeals to social democratic values. These values were not “replaced” by market economics, but persist in everyday life, in myth, in rhetoric, in the heartfelt beliefs of social activists and in the hopes and dreams of immigrants. Repeated commitments to providing social services in an equitable manner have been made, even amidst neoliberalisation of social and spatial policy. Underlying values of social justice, equality, and ‘a fair go’ have endured, and resurface continually – even at the height of neoliberal experiments. The Commonwealth Grants Commission continues to distribute large tied and untied grants on a preferential basis to States and Territories with certain geographical and other disadvantages—even though both state and federal governments have been simultaneously undermining progressive redistribution in other ways.

Other instances of these enduring social democratic values include the debate over equal funding of public schools (over two-thirds of Australian children attend government schools, notwithstanding attempts by conservative Liberal governments both Federally and at the state level to strategically under-fund them), and the high water mark of the 2007 election: won by the Labor party after more than a decade of conservative rule on the twin issues of industrial relations and climate change. That election was won in no small part because of a very successful, visible union publicity campaign against a more extreme attempt by Howard conservative government to deregulate industrial relations (a campaign fought under the slogan of “Your Rights at Work”) (see also Weller 2009). It

was a win for unions, and a lesson about how contemporary campaigning can unify a national populous on traditional class-based political issues. But it was also a cultural line in the sand, informed by a certain kind of equality claim about pay, conditions and treatment of workers – a projection, in both social and spatial terms, of the “equality normative” (Davidson, forthcoming).

Since the *Your Rights at Work* election win, both the Rudd and succeeding Gillard ALP governments have dabbled with neoliberal experiments. They maintained the rhetoric of market principles and sought to present themselves as competent economic managers (through for instance, pledging to return federal budgets to surplus). The ALP has also gradually adopted the conservatives’ awful policies on refugees, appealing to right-wing radio talkback commentators and xenophobic elements in Australian culture. Other social justice agendas aimed at progressive redistribution have nevertheless succeeded: a new corporate tax on mining super-profits, fuelled by anger towards ‘fat cat’ corporate executives of mining corporations (some of whom are among the world’ richest people – see for example, a prominent essay by the Deputy Prime Minister, Wayne Swan (2012), tapping into this “threat” to the “Australian egalitarian social contract”); the introduction of a carbon tax on greenhouse gas emissions; a significant nationwide increase in pay for carers, social and community sector workers; and belated funding of both nationwide universal dental health care and a national disability insurance scheme.

All this is not to say that the specter of neoliberalism has faded, nor that struggles and antagonisms are not necessary. Far from it. The political battle within both sides of Australian politics remains one of pro-market/pro-capital reforms versus lingering social democratic and colonial governmental rationalities. What neoliberalism *has* unambiguously done is – albeit gradually – made income inequality worse. The share of all wealth earned by the highest income earners rose steadily under both ALP and Liberal governments in the 1980s and 1990s, to levels not seen since the 1950s (Figure

2).¹ The question is whether in time such inequalities worsen to the point where amplified class antagonisms shatter the “altogether peaceful” state of Australian politics, ushering in another mode of contestation (Saunders and Wong 2013). If so, the persistence of Australian social democratic values even amidst the worst of neoliberalism suggests that seemingly “old” arguments about class, equality and fairness might be more enduring than some would give credit.

Conclusions

What can we make of the Australian case, in a comparative analysis of neoliberalism and its mutations in different national contexts? Australia provides an example of ‘muted’, or ‘restrained’, neoliberalism (cf. Peet 2012) – the free market “project” tempered by social democratic traditions and the colonial need to manage economic affairs centrally, thus producing and securing colonial/capitalist territory. Neoliberal proponents might fantasize of diminutive government, but in Australia they have had their agenda “constrained and shaped by histories that were not of their making” (Weller 2009: 897). Australian culture features ongoing equality claims, and there are important colonial legacies, meaning a continued role for government in securing the conditions for accumulation. A particular form of hybrid liberalist-social democracy – mostly benign, riddled with contradictions, and with a centrist role for the state in dominating space, securing land, lifestyle, borders, welfare – has become the long-term default. Many predictable elements of neoliberalism have been pursued since the 1990s (privatizations, deregulations, etc). They nevertheless jostle with social justice ideals, a colonial territorial governmentality, and appeals to “community” and “a fair go”.

It appears that the apex of neoliberal evangelism may have passed (exemplified in the success of the *Your Rights at Work* campaign), and further progressive social democratic gains have ensued.

Neoliberal ideas and assumptions still continue to dominate discourses of “sensible” economic

¹ Within this broad trend, it is worth noting that share of income among the wealthiest also appears to be partially influenced by macro-conditions: hence during both the mid-late 1970s and early 1990s national recessions, income share among the rich declined, even though in both periods neoliberal reforms were being enacted by presiding federal governments.

management, in what might be called a 'postneoliberal era' in which alternatives to neoliberalism are seamlessly absorbed within its all-encompassing, accommodative project (Bakker 2013). The institutions and technologies of power that link capitalists, the media, right-wing politicians, "think tanks", and economic rationalist bureaucrats remain formidable. Conservatives appear likely to win the September 2013 national election, and severe budget cuts in the name of debt-reduction (as well as rises in taxes) seem highly likely. In Australia, as elsewhere, the state is enmeshed in capitalism's contradictions (O'Neill 2004: 264).

Nevertheless, Australians have hardly been seduced, *en masse*, by the "missionary faith" on which neoliberalism depends for its validity (cf. Connell 2010; Haselip and Potter 2010). There remain certain "residuals", as Martin and Pierce (2013:62) have put it, "laws, policies, and agencies that were created in earlier eras, and which offer latent tools for a variety of activities within and institutional actors against the dominance of neoliberal thinking and actions within governments". These include cultural expectations of spatial fiscal equalization and universal service provision and a decent quality of life for all. The salient debate is, as Phil O'Neill (2004:257) has put it, about the nature, purpose, and consequences of the form of state action, rather than about questions of magnitude of intervention". On this front, the key conclusion is to point to the worsening of social and spatial inequalities – most readily visible in income statistics – and the need for collective practice to articulate alternative political values (cf. Connell 2003). It is hardly a surprising conclusion, perhaps, but nevertheless one that touches a raw nerve in a country where colonization has never really finished, and where egalitarian values very much persist.

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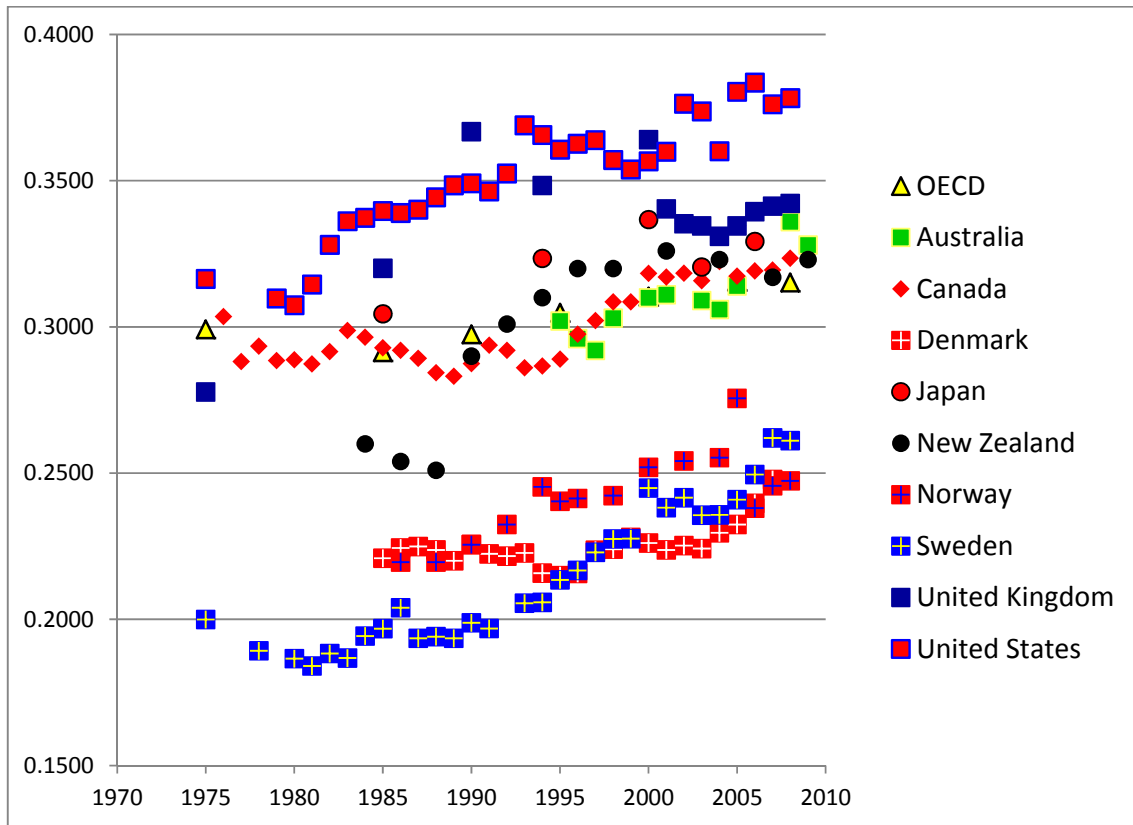


Figure 1. Income inequality, selected OECD countries – by Gini coefficient (ranges from 0, where all people have equal incomes, to 1, where the richest individual has all the income) (statistical source: <http://www.oecd.org/statistics/>, accessed 1 February 2013)

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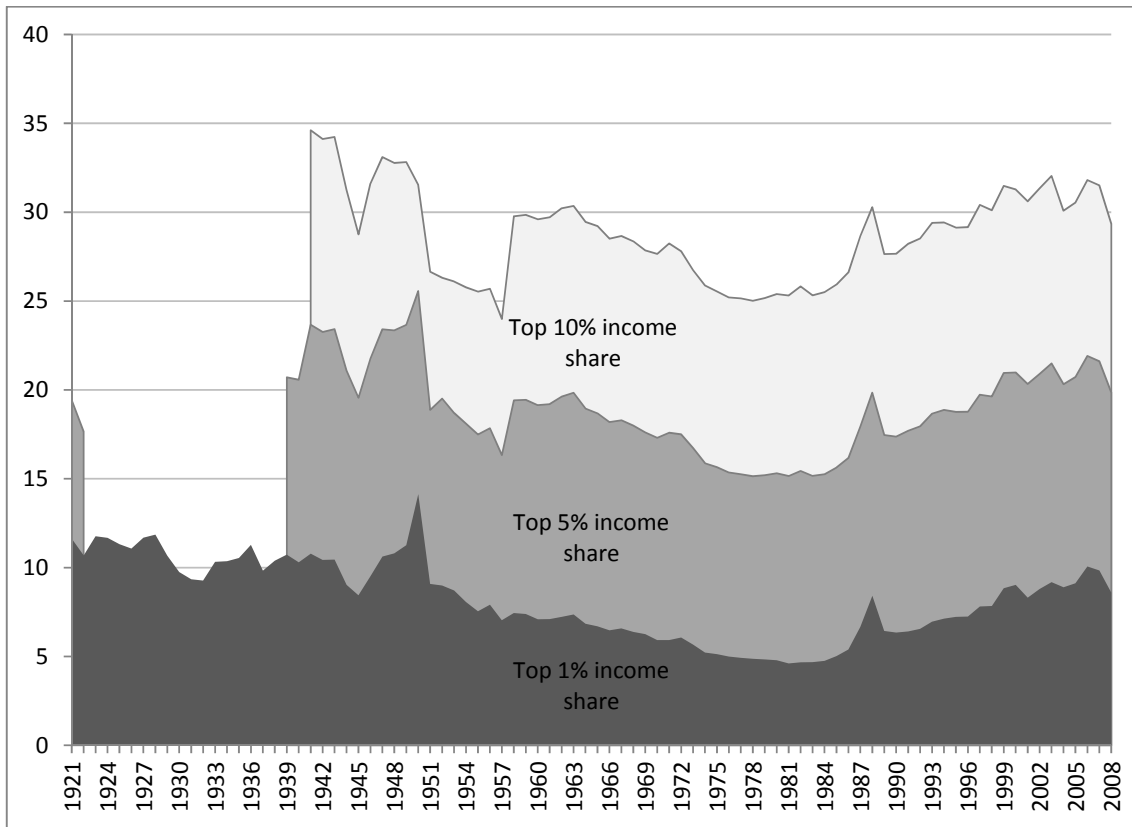


Figure 2. Percent income earned by the highest income groups, Australia, 1921-2008 (statistical source: Atkinson and Leigh 2007).