

coherence, it had powerful advocates, and it had seemed the only logical position in the current economic climate. The only alternative seemed to be a sort of anti-economic rationalism, or economic irrationalism, which called for more funding for existing programs, was opposed to structural reforms, and believed the tax take could be expanded indefinitely to pay for such promises. This agenda, often not clearly argued but often thought, may have made sense in individual cases but lacked coherence at the 'macro' level, and thus its advocates looked foolish against the economic 'drys'.

Although it appears from this world-view that free markets are the basic precondition of democracy, economic rationalism ultimately has a problem with democratic processes. This arises from the tendency of voters to make the 'wrong' choices, in the sense that they put their particular interests ahead of what is considered to be the 'general' interest. Such a conclusion is an uncomfortable one to reach for those who stress individualism and the pursuit of self-interest as the cornerstones of democracy. As a result, some have sought to explain the unexpectedly close election result as an act of spite and as a mistake on the part of NSW voters, rather than as a more-or-less rational response to unpopular policies. In the end, such a point

of view demands that economic and other decisions be taken out of the public arena altogether lest they be unpopular, as illustrated by federal Liberal leader John Hewson's calls for a Reserve Bank 'independent' of parliament.

The NSW election may herald the first expression at the polls of the widely-held view that political parties and policy-making elites have lost touch with both their supporters and the citizenry generally, and that democratic processes can still be called upon to make them accountable when it matters most.

Nick Greiner has been saying otherwise, stressing that his second-term policy agenda remains untarnished. But he will have to deal with an articulate and critical group of independents, a Labor opposition with renewed confidence, and an increasingly jittery backbench of his own Coalition parties. At any rate, the NSW election result marks a return of the impure world of politics to trouble the otherwise clear horizons of economic rationalism.

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## Two Up, Two Down

*Tony Aspromourgos argues that the NSW result heralds a return to the community for political parties.*

**A** number of explanations have been offered for the extraordinary NSW election result: Labor leader Bob Carr's scare campaign on the possibility of a state consumption tax; Liberal Party machine ineptitude and/or an ill-conceived election strategy; Labor Party machine skill and/or a brilliantly

conceived election strategy; an electorate reeling back from the impact of 'Greinerism' (identified with 'micro-economic reform' and 'economic rationalism' by the economic commentators); and an exaggerated protest vote induced by near unanimous pre-election opinion that the conservatives would win easily.

There is no monocausal explanation—all these played some part.

I doubt that the consumption tax scare had much impact. Federal Labor has an opportunistic reason for latching on to this element of the Carr campaign: it is the most obvious element they can translate to the national arena, using the boost from Premier Greiner's failure for an offensive against the federal conservatives. For fairly obvious political, economic and constitutional reasons, the consumption tax will be a more potent issue at the federal level.

The conservative election campaign was not merely inept: it was an expensive three-week continuous-play advertisement for just the complacency and arrogance of which Carr was accusing Greiner. Also, Greiner failed to present a program of vision for the future. In truth, this is not because he didn't have one—rather, because he couldn't bring himself to tell the electorate what he had in mind for it.

The first term conservative strategy was to have been two years of austerity, then two years for the electorate to forget, with some 'fiscal dividend' back to electors for the government to be returned. It didn't quite work out this way. The recession put an end to any vote-buying dividend and implied more austerity to come after the early election. A lot of electors must have realised they were in for the same two years down/two years up ride as last time. Carr's linkage of the true state budget deficit (see Michael Gill in *ALR* 129) to prospects of a 'horror budget' was valid and must have struck a chord with many (not least, public servants).

The Labor strategy of attacking Greiner on economic management—evidently his strongest suit—was audacious; but in truth Carr and Labor had no effective alternative. Economic management is so central to contemporary Australian politics that Labor could not succeed without challenging Greiner's credentials. It succeeded. The deficit debate was the window of opportunity into that success.

However, the deeper lesson of the Labor-plus independents majority at this election lies elsewhere: a broad-based multidimensional set of substantive policies addressed to a range of concrete community interests provided the basis for a coalition of voters which brought Labor tantalisingly close to a majority of seats. (If there was a dominant single theme animating this collection of policies it was the socio-economic position of families.)

This approach—along with the phenomenon of independents in parliament—points to the crucial importance of labour movement politics re-establishing broad-based structures with roots in 'really existing' communities. For the Labor Party this should add a new urgency to the debates around Bob Hogg's and other proposals for rebuilding a broad and more representative rank-and-file base for the ALP.

Mr Carr may have been drawing a similar lesson in his triumphant return to the Hunter region on the Tuesday



*A crippled PM?*

following the election, when he thanked the electors of the heartland for returning to "their" centenarian party. In that moment of awareness and euphoria Carr warned the new ALP parliamentarians of the Hunter never to turn their backs on the interests of their local communities, and to represent vigorously those interests to party and government.

That message goes to the heart of the real meaning of this result. The intellectual and political challenge for the labour movement aspiring to govern is to marry community-based programs with overall policy coherence in an age of economic austerity which is far from being over. This is a discipline never required of independents and minor parties.

At the national level the lesson therefore would seem to be that to save itself from destruction Labor must reassert community-based policies of which Brian Howe's program of policy initiatives in the federal arena provides a solid example. This would re-establish some faith with the traditional constituencies; and, in strategic terms, it would more clearly and substantially differentiate Labor from the conservatives, possibly leaving them stranded out on a very rightwing limb.

Such a program and strategy, even if married to macro-economic coherence and credibility, has only a slim possibility of saving federal Labor; but, short of this, it could well position Labor with a base in opposition to reclaim government quickly.

Given the monumental intellectual and political task implied by this, it seems strange, to put it mildly, that by far the ALP's most able politician was (at the time of writing) domiciled in the second back row of the House of Representatives, while a crippled PM staggers on towards what is likely to be a staggering defeat.

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