Post-Ideology?

Nick Greiner and Bob Hawke agree: the era of ideological conflict is over. And Eastern Europe would seem to underline their claims. Peter Beilharz ponders the end of a year when ideology was given premature burial.

Ours is, of course, the age of posts, or as Pierre Bourdieu puts it in *Homo Academicus*, the age of deaths — death of the subject, death of humanism, end of history, end of socialism/communism.marxism, end of absolutely everything — end of ideology. Yet even with all these mythical, wish—desired and piling corpses, we still continue to live in pretty much the same way as folks used to before. When I talk to my octogenarian grandmother, we can agree that the world’s changed a lot, and yet that people still do the same things — seek fulfilment and identity, work and income, lovers and (sometimes) children, seek respite from work, seek friendship, company, still do the same things, fall ill, get stressed, push on.

If we read the papers, we get the same, actually conflicting messages. On the one hand, Labour in New Zealand trailbreaking the way for an even more openly economistic government, Labor and Liberal in Australia agreeing to privatisate and to introduce the logic of corporate management wherever possible; on the other, Thatcher tilting still against socialism, against the spectre of Marx in the British Museum, yet aspiring, like Marx, to the slogan of the classless society. So the conflicts continue, but so too do the increasing trends to agreement. What is happening on earth? Is the world really changing itself at such an exponential rate that we cannot even sensibly interpret it?

This is the dominant response to the 90s, manifest too in the response to changes in Eastern and Central Europe — it’s all changing so fast. But it also changed ‘fast’ after World War Two, and it took some time for the dust to settle and for people to realise that some things hadn’t changed at all. This is, after all, what we also argue when we discuss the Industrial or French Revolutions - the change which seemed so apocalyptic took decades to filter through. The more things change, the more they stay the same.

Is it sensible, then, to proclaim the end of ideology, because the East seeks markets and both sides of politics in Australia favour lean and mean management? A first response is that it ought, in principle, be taboo to proclaim the end of ideology. When ideology is over, we are all in big trouble, because political difference is over. Marxists, too, had hoped for the end of ideology — the end of politics, the end of the state — and they were wrong. The good society is not one where there are no disputes or differences or arguments. The good society should seek civil harmony, and social justice, but political difference. Local and international politics today are nowhere near these values; indeed, they are arguably further from them than they ever have been.

But isn’t there, all the same, some kind of process of convergence or globalisation going on? Isn’t ideology over? A second answer is both yes, and no. Modern, or postmodern, culture (delete as applicable) is based on the cult of homogenisation. Another irony: culture crowns about difference, but what it stands for is homogenisation. Cities become more and more alike — motel chains, fast food outlets, movies, video clips and advertisements. It is as though we still yearn for stability and uniformity, but the more urgently the more social time accelerates (seems to accelerate). The best symbol of this is the sense that America is utopia. Notwithstanding its poor and its tragic, America is increasingly viewed as utopia. Baudrillard tells us so, even tells us it is Disneyland which is really the place of utopia.

From a somewhat different position, George Steiner agrees, lamenting the fact as he writes on the Great Revolutions of 1989 in *Granta*. One point to which neither view directly connects is that none of this is new, either. One of the greatest Americanists was a marxist called Leon Trotsky. The big/beautiful, brash and bawdy appealed not just to flapper-dancers but earlier, in different rendition, to Edward Bellamy in *Looking Backward*. There were relatively few voices raised against all this fuss — bar the moans of the troubled romantics, John Ruskin, William Morris, Walter Benjamin.

For all this, enthusiasm for the swirl and dust of the metropolis was nevertheless still largely accompanied by a commitment to the developmental state. The state was as much a part of the conversational furniture as was the market a century ago. Now we come to the end of our own century, a big one, the new millennium looming large, economic prospects apparently dim (especially if you’re a Victorian), ecological limits staring us in the face, people arguing that we shouldn’t have kids (or at least that they shouldn’t be allowed to have kids...)

One major shift in this, then, has been the marginalisation of the State. From William Morris Hughes to Menzies to Whitlam, the state was indeed a part of the furniture. Today the magic word is market, and too often people fail to differentiate between capitalism and market. Markets are also part of the furniture, since the year dot. But capitalism, that form of economic organisation is only really now coming into its own, because capitalism is the culture of absolute
commodification. Here again we see the trend to homogenisation, as the idea that "if you don’t pay for it, it’s no good" creeps pervertedly into human relationships where it has no proper place. So ‘efficiency’ becomes another magic wand, as though efficiency itself were not also a secondary-order value, an instrumental tool which allows policy to pursue differing goals, social justice or cost benefits, public transport or private transport, and so on.

And yet there remain differences, as in the debate over holiday pay loadings, the atmosphere of belt-tightening looming large but not, here, the end of ideology — for the ideologies differ. It isn’t exactly a matter of ‘soak the rich’ as far as the ALP government is concerned, yet these discernible differences do remain. And similarly, for example, while there is some degree of consensus over the end of business ethics, this represents a positive agreement, the impact of which has brought together such diverse critics as Hugh Stretton and John Carroll. The ideological alliances may, then, be shifting, but this does not either signal the end of ideology so much as the shifting debate.

If there is much sense in all this, it is that ideological disputes continue but over a different axis. The two terms market and State provided the main axis of argument for the century from about 1880 on. The early highpoint of this period was the “we’re all socialists now” consensus upon which fabianism rode to influence, if not power. State provision throughout this period was taken as a norm, even though the market really ruled. Into the interwar period, community and local provision had largely given way to the idea of state provision, and statism, welfarism and socialism all came to mean the same thing. The state remained the major actor in the second war, not least of all in Australia, which has always had a statist culture anyway.

Along the way new liberals such as Hancock and Eggleston protested that the power of the state would constrict the responsibility of individual and community, and they were right. Menzies had the shrewdness of insight to realise this, at least on the level of rhetoric, though practically he was as much a statist as any other, viewing the state as an instrument, just as earlier liberals had viewed private property as an instrument, and not as the goal-in-itself which it is now, apparently, widely viewed as. Like John Stuart Mill, Menzies believed in the sanctity of property except when it came to education. Whitlam then expanded the optic to fabian dimensions, to take in housing and health and cities as well as education.

The arguments about privatisation have been especially difficult for Australian radicals, given the combined impact of statism within both certain socialisms and Australian culture as such. Underneath this, too, is the substratum of common sense for which everyday life really will become nasty, short and brutish if the welfare state is too much diminished. The issue here is that, while there has been a recognisable shift away from the idea, if not always the practice of the state towards that of the capitalist market, the broader trend has been to the increasing economisation of public life.

If Australian Airlines was not tangibly different to Ansett, then it should have been, or else there is little obvious case for the two-airlines policy (a major plank of Menzies’ platform). If the Commonwealth Bank does not function to meet popular need, then it ought be obliged to do so. It is a massive giveaway when we confess that state-owned or operated or supported institutions fail to meet popular needs. But it is not primarily a confession about the institutions so much as about our culture, which seems apparently to function only when the dollar-signs go up. This does not represent the end of ideology so much as it symbolises the hegemony of the culture of capitalism.

It is not ‘markets’ which are responsible for this process, so much as the belief that everything should be marketed. The older traditions of labour got within cooee of this problem when they called it ‘the money power’, only by this they too often meant the power of monopoly capital, which could only be overcome by the power of the State. They did not realise that the state was a problem too. And they did not understand that money power was capable of insinuating itself into the fibres of everyday life, as consumption took over the power of influence which they had earlier ascribed to production. The commodification of everyday life has in fact changed, exploded since the 30s. The immanent trend of 19th century capitalism has become its defining attribute into the 20th. Now the Sorcerer’s Apprentice beckons us into the new millennium. The prospect is simultaneously sobering and challenging. It may, after all, be the case that the more things stay the same, they more they change. The answer will not be in the post.

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Tortoise and Hare

Good economics is supposed to be sound politics. So when a Labour government which has attracted top marks from the world's leading economic agencies gets thrown out of office in a landslide electoral defeat, questions need to be asked.

And the answers as to why the New Zealand government led by new-boy Prime Minister Mike Moore was so thoroughly thrashed at the 27 October election contain lessons for this side of the Tasman.

Australians pay scandalously little attention to New Zealand. Yet the two countries comprise their own trading bloc; their business structures are developing toward a single Australasian corporate zone; and the labour markets of Sydney and Auckland are as economically integrated as Adelaide's and Melbourne's. As well, the political cycles of the two countries have swung together over the past 20 years. Pre-oil shock reforms in the 70s; paternalist Tory governments (Fraser and Muldoon) from the mid-70s to the mid-80s; and then rationalist Labo(u) r administrations (Hawke and Lange/Palmer/Moore) in the 80s.

But, over the past six or seven years, the economic strategies implemented by the two Labo(u)r administrations have diverged markedly. In New Zealand, Finance Minister Roger Douglas pursued 'Rogernomics': a crash-through-or-crash program of economic deregulation and privatisation combined with a rugged fight-inflation-first monetary policy. In Australia, Paul Keating has run a more 'gradualist' program of micro-economic reform combined with an incomes policy based on macro-economic policy which initially emphasised 'jobs, jobs, jobs' but which lately has been forced to pull in its growth sails.

Labour's downfall were evident in the different messages coming from Lange and Douglas. Lange campaigned on the fanciful theme that New Zealand could quickly start to reap some of the gain from the economic pain of the previous three years, whereas Douglas argued that Labour should be given a chance to "finish the job".

Douglas, however, used the October 1987 stock market crash as a political opportunity to push Rogernomics even faster. In December, he got Cabinet to agree to a radical package which included a flat rate of income tax — possibly as low as 23% — plus the first thrust of Rogernomics into the New Zealand welfare state. Douglas saw free market reform of the social welfare, health and education sectors as an intrinsic part of producing a more efficient economy. But Lange had hoped that reform of the rest of the economy would produce the resources to fund an extended welfare state.

The Prime Minister had second thoughts about the December package and — while Douglas was overseas — publicly overturned the reforms before they had been implemented. This sparked an intense and highly-public political battle which saw Douglas sacked and Lange throw in the towel, to be replaced by his deputy Geoffrey Palmer.

As well as disintegrating at the top, the government also frayed at the bottom with the creation of a left-wing breakaway New Labour Party, led by Jim Anderton who retained his seat at the October election in the face of the anti-Labour landslide. With the government trailing badly in the polls, Palmer also threw in the towel, to be replaced by the more populist Mike Moore who tried to distance himself from Rogernomics in order to woo back some of Labour's disenchanted blue-collar constituency.

Weeks before the October election, Moore announced an L-turn in the form of a "growth agreement" be-
between the government, the Trade Union Council and the Reserve Bank. Sensing the imminent arrival of an anti-union National Party government, the leftwing TUC leader, Ken Douglas (no relation to Roger), was keen to demonstrate the potential for government-union co-operation.

But it was too little and too late to save Labour. By then, the government was tainted by charges of broken promises relating to its unpopular second term program of privatisation of such public enterprises as NZ Telecom. Its leadership brawling had left it looking disunited. The thousand flowers which were promised to bloom from economic liberalisation had been torched by the relentless anti-inflation pressure from higher interest rates and an over-valued exchange rate. Although inflation has fallen to 5%, the cost of this has been a doubling of unemployment to levels not experienced in New Zealand since the 30s. And, despite a comatose economy, the high $NZ has come home to roost in the form of a balance of payments deficit larger even than Australia's.

While condemned by the electorate at home, Rogernomics was hailed by the rightwing economic think-tanks in Australia and by international economic agencies such as the Organisation for Economic Co-operation and Development and the International Monetary Fund.

The extreme rationalist response to this paradox is that Labour did not move fast enough in extending Rogernomics into reducing the underlying Budget deficit, reforming the welfare state or deregulating the labour market. Yet the electorate stated overwhelmingly that it has had enough of Rogernomics; despite the lack of formal constraints on the executive arm of government, the three-year election cycle still enforces its own political speed limits.

This leaves the National Party government led by the pragmatic Jim Bolger in a quandary — and even publicly praying for guidance from above. While Keating's gradualist strategy has pushed the Opposition further to the right, Douglas' crash-through-or-crash program has left the Nationals with a mandate for good times but without any obvious means of getting there.

The Nationals' Finance Minister, Ruth Richardson, is possibly drier than even Douglas. But the government remains saddled with an updated version of Muldoon populists and wets susceptible to special pleading by the Nationals' business, farmer and grey power constituencies. Richardson may get her way for traditional Tory favourites, such as labour market deregulation and attacks on welfare for single mothers. But the Nationals already have signalled a retreat from Labour's 0.2% inflation target as well as a reversal of Labour's tertiary education tax and its means testing of New Zealand's generous aged pension. As well, they are likely to ease up on Labour's plans for further cuts in import protection and extend tax concessions to favoured industries such as forestry and race-horse breeding.

The interventionist Left-liberal position can take little comfort from these areas of retreat from Rogernomics, as they are being driven by the pork-barrelling favouritism of the New Zealand Tories. But they are also a cause of dismay for economic rationalists. From this perspective, Keating's gradualist reform program in Australia can be likened to a tortoise which is catching up on a New Zealand hare that has run out of puff.

Michael Stutchbury is the economics editor of the Financial Review.
Following the special premiers conference in early November, Commonwealth and State officials will be working jointly on a new regime for government-owned businesses. The end result will be to transform their operations more dramatically than at any time in the last hundred years.

Two reports are to be submitted to the first of a series of special premiers conference meetings in May 1991. One is to clarify the tax positions of government business enterprises (GBEs) and the other is to outline principles for monitoring their performance. Also in May (after years of debating the pros and cons) the Loan Council will decide whether or not to lift the borrowing restrictions which have hitherto applied to such bodies, and which have conventionally listed borrowings by GBEs as if they were part of the general government debt.

Taken together these reforms are designed to support a nationwide thrust towards the formal corporatisation of GBEs. 'Corporatisation' is a word from the new jargon of micro-economic reform: briefly, it means the restructuring of government businesses to parallel the business structures of private firms. However, a broader movement towards commercialisation of public enterprise has been around for 100 years. The professor of public administration at Canberra University, Roger Wettenhall, traces its genealogy back to the premiers of last century when Sir Henry Parkes (NSW) and Duncan Gilleys (Vic) took the management of state railways out of government departments and granted them greater management freedoms under statutory charter.

In the 90s the motive is the same — but the emphasis has shifted to converting government enterprises into limited liability companies governed by the 'ordinary laws of commerce'. The rationale is that in order to create a 'level playing field' GBEs need to be in the same position as private sector companies. This would enable them to maximise their profitability and productivity and to compare the performance of different GBEs within and between states.

Accordingly, corporatisation aims to remove both the disadvantages to public enterprises under the present regime — including the funding of community service obligations like pensioner concessions — and advantages like government guarantees on loans and tax exemptions. A corporatised entity could, for example, provide community service obligations under contract to government, so that the government budget rather than that of the enterprise would be responsible for them. In strategic terms this should provide 'transparency' (in the policy jargon) for the social commitments of government enterprises, and this should enable a more realistic price-tag to be attached to public policy decisions — allowing taxpayers to better judge the cost/benefit bottom of their public enterprises.

The states also want to see tax reform on two key fronts. First, they say they need a broader tax base in order to return the savings from more productive public enterprises to as many households as possible. State governments at present have a narrow tax base, and this means that most of the burden falls on a small number of tax-paying groups — mostly small businesses and property owners.

Second, the shifting of public enterprises from the status of statutory authorities to that of ordinary limited companies will change their legal position — and there is a dispute over whether this means they should pay federal income tax just like every other private business. The states have said they would think twice about corporatisation if it meant having to hand over money to the federal government in federal taxes.

The proposals for monitoring the performance of GBEs aim to create a national monitoring agency to which the states would supply information such as the cost efficiency, service delivery and financial performance of state enterprises. This register would provide GBEs with 'yardstick competition' — a standard against which they can compare the effectiveness of their operations against those of comparable enterprises in other states.

The most critical reform under consideration is the Loan Council proposal. Loan Council restrictions on borrowings by GBEs have been a priority target in the Hawke government's strategy to cut the public sector borrowing requirement (PSBR), or public debt. The states are unhappy about the PSBR target used by the Commonwealth because it combines the debts of government departments with those of business and trading enterprises. This accounting definition — which has similarly bedevilled federal GBEs like the airlines, limiting their ability to borrow — confuses borrowings for consumption expenditure by government departments with borrowings by GBEs to finance infrastructure. While the former is a direct allocation of tax revenue to spending, and thus adds directly to debt, infrastructure spending by business enterprises can generate the revenue to pay the loans back without costing taxpayers. A discussion paper to the recent premiers conference argued that where authorities meet strict commercial standards 'there should be no restrictions on their borrowing capacity except those dictated by normal commercial principles'.

With at least two special premiers conferences already organised for next year these proposals for reform are
just the first in a series of changes which revolutionise the future of GBEs. Public enterprise inefficiency has been costing Australian households too much money for too long. Commercial changes to NSW government enterprises over 12 months lifted their contribution to this year's state budget by 70%, to $600 million. Queensland's discussion paper on enterprise reform estimates that a 1% boost to the return on assets owned by its top seven authorities would generate $250 million annually. Western Australia has claimed that a similar improvement by its five major enterprises would generate $170 million annually.

Public policy is going back to its balance sheets. Not in a politically de-testable way (by replacing attention to social need with economic darwinism) — but by making it easier to identify the beneficiaries of the operations of GBEs, and helping us decide whether the money used to run them is well-spent.

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CHINA AFTER TIANANMEN

Australian Left Review is to publish an important supplement on political developments in China in its February 1991 issue.

Among the issues to be covered will be:
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The resurgence in Mao Zedong Thought
New roles for the police force
The state of the economy

As well there will be articles on trade, the media and the arts. The supplement will be edited by Michael Dutton from the Politics Department of Melbourne University and Kitty Eggerking, ALR's production editor. It will be invaluable to any student of Chinese politics.

Bulk copies of the supplement will be available. Contact ALR on (02) 281 7668.
On 25 October, Tim Anderson was convicted on three counts of murder relating to the bombing of the Sydney Hilton Hotel in February 1978. Anderson (along with two other members of the Ananda Marga group, Ross Dunn and Paul Alister) has already spent seven years in prison on charges for which he (and the others) were later unconditionally pardoned and compensated.

It is clear that Ananda Marga (and perhaps Tim Anderson in particular) has since 1978 been regarded by certain police as the most eligible target to bear the responsibility for the Hilton bombing, despite the paucity (at least until last year) of any evidence directly linking the organisation or its members to the events. The earlier charges (brought in 1978) relating to an alleged conspiracy to bomb the home of National Front leader Robert Cameron were widely promoted and understood to be a surrogate for the “real” crimes of these men, the Hilton bombing, for which no evidence existed to charge them. This was so much the case that over the years journalists have unwittingly referred to them as the Hilton bombers on a number of occasions. The prosecution of Anderson for the Hilton bombing cannot be detached from this longer history of police and media prejudice relating to Ananda Marga and Anderson in particular.

What this process illustrates is the ease with which an aura of guilt, often verging on moral certainty, can be generated around an individual or social group despite the absence of evidence to support it. There are many other examples: the Chamberlain case, the dramatic arrest of Harry Blackburn on multiple rape charges, the alleged Greek social security fraud conspiracy. Of course, we are supposed to have a legal system which places major obstacles in the way of such prejudices proceeding to ground the actual criminal prosecution and punishment of innocent people. These cases demonstrate the folly of this assumption, for in vital respects the legal and organisational framework of the criminal justice system allows (even, in various ways, encourages) such miscarriages of justice to occur.

The adversary system of justice is, as the term suggests, a contest in which it is assumed that the truth will emerge, not from any direct attempt to find out what happened, but from the two parties, the prosecution and the defence, each putting their version of events in a partisan manner. In the trial process the judge presides over this contest to see that it is carried out according to the rules of fair play.

Thus, the prosecution process is in fundamental respects organised in such a way that once a decision has been taken early in the process that a person is the guilty party and should be prosecuted there are organisational and psychological pressures on the prosecution authorities to seek a conviction at almost any cost. The legal procedures applying to the pre-trial investigation and prosecution process place few obstacles in the way of this tendency. There are, for example, few if any clear and precise duties on police and prosecutors to pursue and/or disclose evidence that is suggestive of the innocence of the accused person. At the other extreme there are temptations actively to suppress such evidence and to beef up the incriminating evidence often to the point of fabricating it. It is also important to note that the adversaries in this process command wholly unequal resources: the authority and resources of the state are pitched against those of individuals of usually less than modest means.

Compounding these problems, however, is the fact that these crucial processes within the prosecution system are the least visible and least accountable parts of it, with the police playing the leading role. Thus the police not only are required to investigate crimes, but once a suspect is identified the police have the role of collecting the evidence which will secure a conviction. There are no effective independent checks on these decisions and practices. It is not necessary to ascribe base motives to the police (although these may at times be present) to see how these institutional arrangements can produce miscarriages of justice. The court process is not adequately equipped to correct the injustices that may occur in the pre-trial process, for it is circumscribed by a whole panoply of evidentiary and procedural rules, tactical considerations on the part of lawyers and by the pre-trial decisions that have already determined the parameters within which the issues and evidence will emerge at the trial. A jury is only enabled to judge what is placed before it.

These processes can be seen at work throughout the prosecution of the Anderson case. The principal prosecution witness against Anderson was a former Ananda Marga member named Evan Pederick who confessed to having planted the bomb, alleging that he did so at the instigation of Anderson. Pederick was convicted of murder and is now in prison.

Pederick’s accounts of these events (of which there are several) are riddled with contradictions and fantasies. Virtually every aspect of his story that was open to independent corroboration was found wanting. Central to his story was the claim that, following the plot hatched by Anderson, he (Pederick) tried unsuccessfully to detonate a bomb planted outside the Hilton as Malcolm Fraser (then prime minister) welcomed a head of state who he believed to be the Indian Prime Minister, Morarji Desai.

The problem with this story is that it was found, after Pederick gave his evidence in the Anderson trial, to be
completely without foundation — an impossibility on a grand scale. He was not recalled to explain how he could have gotten something so fundamental so wrong. It is improbable that a person would admit to such a heinous crime as the Hilton bombing if they had not committed it and this is the trump card that the prosecution played throughout. However, it is not unprecedented. It is equally improbable that anyone who had committed such a crime in the way Pederick suggests he did could get all the important details so wrong. The above instance is merely the top of the iceberg of improbability.

A linguistic analysis of Pederick's various records of interview with police identified no less than 18 significant amendments to Pederick's story which were produced in the course of the police assemblage of the prosecution case, as a result of suggestions made by police.

The analysis demonstrated that a third of the police questions and statements in these interviews were directed at leading Pederick rather than eliciting his own account of events. These refinements, many of which related to crucial bits of the evidence, brought Pederick's story into alignment with many of the known facts of the case and led to the suppression of sometimes glaring discrepancies and problems in Pederick's initial confession.

Even after all of this (and much more) the Prosecution in its summing up in the Anderson trial had to abandon Pederick's account of the central part of the alleged assassination plot as being hopelessly wrong.

The trail to the wrongful conviction of Tim Anderson in this case was initially laid many years back and winds through some shadowy corridors and over some dense thickets of prejudice. To assert that the jury got it wrong in this case is to say much more than that juries are fallible. The problems reach deep into the fabric of our law enforcement arrangements.

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