Succeeding the Accord

The Accord ... and Beyond by Frank Stilwell (Pluto Press, 1986). $11.95. Reviewed by Geoff Dow.

It is easy to catalogue the failings of Labor governments. It is similarly easy to conclude that the parliamentary process, institutional intervention into the economy and reformist intentions are all bound to fail because of the stubbornness of capitalist production relations. When we apply class analysis to such experiences, we tend to imagine that we, on the left, have a complete understanding of the forms and effects of class conflict and that we know exactly what capitalism is.

The post-1983 Labor government in Australia has forced a belated recognition that labour movement responses to capitalist economic crisis are often far from adequate. Stories of frustration and disappointment have been told so many times now, especially in Anglo-Saxon countries, that it is somewhat surprising the appropriate lessons have not been properly learned. Evaluations of labour and social democratic governments which compare actual policies with ideal socialist principles are usually of very little help. So are supercilious assessments that refuse to understand that, when parties of labour accede to political pressures from the right, or from employers, or from economists, or from reactionaries within their own ranks, the resulting policy failures are effects of a generalised class weakness of the left, and that we must all shoulder some of the responsibility for it. Assumptions of an imagined “authentic” militancy similarly produce only predictable denunciations hardly requiring detailed analysis.

The great merit of Frank Stilwell’s latest book, the first full analysis of the much-debated ACTU-ALP “Accord”, is that it doesn’t presuppose either the terms or the conclusions of its investigation.

In ten chapters and three documentary appendices, Stilwell presents a comprehensive summary of the development and fate of the Accord in a way which raises and soberly deals with many of the issues that, on a week by week basis since 1983, the left has been required to confront. As an historical record of the key political concerns of the 1980s, the book is invaluable: as a definitive coming-to-terms with theoretical and strategic conundrums for the labour movement. I found it rather less satisfactory. But the fault here, if that is what it is, is not Stilwell’s alone.

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Then follows a section of four chapters dealing with specific policy aspects of the Accord’s implementation and of the Hawke years more generally. This section details those outcomes of economic policy making under Labor that have most disappointed (and harmed) Labor supporters. Stilwell speaks of the degeneration of a prices and incomes policy into a wage-restraint policy; the adoption of restrictive and contractionary budgetary and monetary policies; attempts by the government to introduce a regressive, indirect taxation system (and its limited success with tax reform since then); and industry policy (manufacturing decline, the case for intervention and specific industry plans).

Finally there is a series of chapters evaluating the Accord in terms of the constraints upon even well-intentioned interventionism, suggesting a “more progressive” alternative and discussing possible future changes in labour-capital relationships in Australia.

Clearly then, there is a structure here for a thorough appraisal of the possibilities and limitations of social democracy, of the political aspects of capitalism in crisis and of the aspects of conflict in capital accumulation in the local context. It is in drawing out these underlying conceptual issues in the political economy of the Labor government that the book contains confusions and limitations. I will try to explain some of them.

Of considerable significance, given Stilwell’s prominence in the political economy movement and the associated controversies, is the book’s failure to outline concisely the perspective that political economy provides. Stilwell suggests that the role of political economy is to provide a political dimension to an analysis that would otherwise be sterile and formalistic. But he doesn’t allow us to build upon the insights into the processes of capital accumulation, class struggle and political institutions that separate the classical and marxian traditions of economic analysis from the more modern, and inherently conservative, preoccupation with
issues based around the “allocation of scarce resources”.

More specifically, it seems a pity that the book only implicitly presents the general case for new political institutions to allow democratic control of investment and income distribution. Stilwell is not unaware of the need to replace market mechanisms in any complex economy with political or institutional mechanisms; but the case is not presented systematically enough to indicate what the objectives of an alternative approach to capital accumulation would be. Consequently, leftist critics of economic orthodoxy are left with no counter to the unsatisfactory presumption that any policy which aids economic recovery is reactionary. We need to be reminded more often that labour movement interventions in this sphere are both legitimate and emphatically anti-capitalist.

To a very considerable extent, Stilwell comes close to incorporating these imperatives into his analysis, especially in the summary of “what went wrong?” (ch.8). In a discussion of problems on the left he acknowledges that the left does not have “the numbers” but is less ready to argue that it does not have the arguments either. Credibility problems are a two-way street: and the reasons cited for our “relative weakness” don’t include our inability over a long period to resolve either what the meaning of a socialist strategy in a capitalist society could possibly mean, or what we should do when international crises, unemployment, inflation, balance of payments problems or Treasury “remedies” confront us. The left’s weakness, it seems to me, stems more from our own abstentionism in the sorts of debates which fed into the Accord than from the development of the Accord strategy itself.

 Whatever we may think of the Hawke/Keating abrogations during the past two years, we need to remember that they brought to fruition plans to involve the labour movement in macro-economic policymaking that were absolutely unimaginied by the Whitlam circus. We need to fight against the contractionary policies of the current government while asserting our right to have the Accord commitments to wage maintenance, industry policy, anti-recessionary policy and economic democracy honoured. We should be less surprised than we pretend to be when Labor governments capitulate in this manner. We should be less concerned to blame governments or politicians for the stances they take and be more active in creating the interventionist conditions and institutions that would allow labour a more assertive role in economic management.

The book makes dozens of sensible proposals for reform. For example, the suggestion that workers could be more involved in arbitration system deliberations on appropriate wage relativities and the submission that import controls be linked to domestic expansion so that overall levels of trade can be maintained. Despite these, I felt the absence of any serious attempt to prioritise the author’s arguments. There seemed to me to be too many hasty concessions to what might be called “knee-jerk” leftism, even where these leave inconsistencies in our case against the present policies. Stilwell’s comments on “statism”, for example, seem to imply that labour’s confrontations with capital must always be achieved through the offices of government. His calls for greater attention to price controls reproduce a serious deficiency in left argument generally: that price control is impossible unless we have a prior understanding of exactly which
industries we want to exist and how downturns in economic activity are to be handled.

As I indicated earlier, the problems in this book are problems for all of us. The failings of Labor governments are not new (recall the Scullin and Macdonald governments' responses to recession); they reflect a general failure of the left to construct a political and economic strategy which acknowledges that the reflation of a capitalist economy and the struggle to secure permanent full employment are, in themselves, profoundly radical projects. It is increasingly apparent that transition to socialism is something that requires high levels of economic activity and that, insofar as capital cannot guarantee what its own ideologies promise, labour needs to take on social and economic functions wherein its past role has been entirely subordinate. This subordination becomes less and less a cloak for macro-economic performance the longer we go down the track of capitalist development. Therefore, we need not only to develop alternative economic strategies but to shed our own conceptions of capitalism of the misapprehension that this isn't our proper role.

The Accord gave labour an opportunity to usurp long-lived capitalist prerogatives; if economic policy under Hawke has been insufficiently faithful to this project, then we must fight to regain our influence over it. But we need to remember that the institutions and arrangements that the Accord ushered in are absolutely essential; the subsequent retreats from the 1983 commitments have been disappointing but not surprising. That we haven't had effective counter arguments is an indication of how much work there is still to be done.

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