the structure of Australian soccer administration. It had to become a matter of "management" instead of  
"politics". Prime Minister Hawke also appeared, marking an important development in his knowledge of the  
sport. He was able to sanction the event as an exemplar of Bicentennial masculinity: "it's no game for  
softies".

That Australia lost the final 2-0 meant nothing. Australian soccer's  
new success was emblazoned on the front pages. That it had been  
achieved against a background of possible strike action, bungled media  
sales and ticket prices, anxiety about  
the authenticity of the competition  
and public apathy mattered not. This  
was a representation of "Australia"  
succeeding in a "Bicentennial Event".  
This was the rich mix of ethnic  
groupings that could come together  
in a multicultural society to compete  
healthily and successfully with  
foreigners.

The reality was that a sport  
which has depended on an amalgam  
of collaboration and mutual  
antipathy between various migrant  
groupings had one week of success at  
a national level. Any change to the  
temporary status of that success will  
require professionalisation at all  
levels: in other words a  
commodification of soccer as both  
work and spectacle, with teams  
franchised and probably playing  
over summer to avoid competition  
with other codes. This process would  
have to be decidedly political as well  
as managerial, for it would erode  
existing migrant and regional bases  
for the sport. But at least it would be  
in keeping with the "spirit" of the  
Bicentenary.

Toby Miller  

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Victoria: Socialist State?

It was Joseph Stalin who invented the notion of "socialism in one country": not perhaps its best  
advertisement. Have John Cain and  
his government now invented  "socialism in one state"?

Perhaps not, but, on the positive  
side, Victoria's Economic Strategy  
does favour government intervention  
in the economy as a means of  
encouraging economic activity and  
employment growth in certain  
strategic areas. There is a recognition  
that markets don't work effectively in  
restructuring industries, and that  
government planning and co­  
ordination can provide a catalyst for  
change.

Also on the positive side, the  
Victorian government and its  
instrumentalities (such as the  
Victorian Investment Corporation,  
Aluvic, and the Victorian  
Economic Development Corporation)  
have demonstrated a willingness  
to take equity in ventures such as the  
Portland aluminium smelter, and a  
range of high technology investments  
such as computer software, medical  
products and biotechnology. On the  
negative side, the preferred strategy  
is to work closely with private sector  
partners, take a back seat on equity,  
and sell out when new ventures  
become profitable.

All this is good social  
democratic stuff. Key strategic  
sectors of the economy are identified.  
Private investors are approached and  
unions consulted. But the final  
decisions are made by the private  
sector.

As a model, the Victorian  
economic strategy compares  
favourably with many international  
examples, where the push for  
deregulation and small government  
has weakened the impact of active  
industry policies. In Australia,  
industry policy federally has  
increasingly come to mean tariff  
reductions to bring in the "winds of  
competition". The assumption is that  
markets, left to themselves, operate  
efficiently, and government  
intervention leads to inefficiency.  
Victoria doesn't share these illusions.  

There are a number of perfectly  
conventional economic arguments  
for such an approach. First, the  
public sector has a vast amount of  
data and information on the way  
economies operate, and can  
influence the direction of  
employment growth by direct and  
indirect involvement in particular  
sectors. Again, the private sector has  
demonstrated an inability to  
accelerate investment in areas of  
technological and economic  
opportunity because of perceptions  
of high risk. The intervention of the  
state can minimise risks. Third,  
private industry in this country is  
relatively weak. Our industrial  
structure nationally is split between  
multinationals, who confine their  
local activities to supplying local
markets, and share-shuffling entrepreneurs. Also, the private sector wants quick returns on investments, whereas the public sector in theory can look at long lead times for investments in the productive sector. Finally, public sector involvement is a necessary, though not sufficient, condition for the participation of unions and workers in economic restructuring.

Since 1984 the Victorian government has produced two key strategic documents which give overviews of the Victorian economy, and a number of supplementary documents dealing with timber, tourism, resources and so on. The approach is to identify key strengths of the economy and to build economic activities on these strengths. Following this approach, Victoria has taken initiatives developing the skills of scientists, engineers, the medical profession and productive entrepreneurs. This creates the potential for thousands of new jobs in high technology areas.

There have been a number of other significant initiatives. One was the attempt to reduce destructive competition between states by encouraging the abolition of state preferences. Another was a program, which has won the support of both employers and unions, committed to arresting the decline in the traditional but strategically important area of heavy engineering. And we have seen the establishment of Australia’s first Industrial Supplies Office, designed to maximise Australian content in major projects; and an Overseas Project Corporation seeking export opportunities.

Is this then a promo piece for Victoria? Well, having watched a Labor government in Western Australia bail out Holmes a’Court and Laurie Connell, a Labor government in NSW waste taxpayers’ money on the Darling Harbour scheme, and the federal Labor government put industry planning in the too hard basket, it has to be said that the Victorian approach does seem to have a number of things in its favour.

It is not perfect. There have been a number of blunders: for example, there is an emphasis on energy-intensive industries which has put the State Electricity Commission in a powerful position to construct new power stations; and the costly search for crisis-ridden, polluting industries continues.

It is not a socialist strategy, and it is not run by socialists. But it does have lessons for the left. Just as centrally-planned economies are addressing key economic problems by experimenting with market reforms, so can market-driven economies improve their performance by developing and extending models of active public sector intervention in the economy. Even if it doesn’t lead to “socialism in one state”.

Julia Andrews

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