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 coordination 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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