Brian Howe is the senior left figure in federal Cabinet. He also attracts heavy fire from the government's left critics. Brian Aarons asked him about the criticisms, and probes him about the much-vaunted 'Fourth Term Agenda'.

The son of a tramway worker, Brian Howe was born in Melbourne in 1936. In 1968 he became a minister in the Methodist Church, and was involved in a range of social and community issues. In 1977 he was elected to the federal seat of Batman. He became Minister for Defence Support in 1983, and for Social Security in 1984. His Social Security Review wrought the most wide-ranging changes in the portfolio since the war. After the election in March this year he became Minister for Health and Community Services.

What do you see as the achievements of the Hawke Government's first three terms?

The government should be put into historical context. We came into office early in the 'eighties when the country had not been able to sustain growth after the recession of 1973-74. We needed to develop a model which would provide improved production, economic growth and employment growth and, at the same time, deal with growing inequities. These had been there throughout the postwar period and perhaps been exacerbated in the late 1970s and early 'eighties when, for the first time, we had a very extended period of low growth or non-growth and when it was becoming very clear that the social accord of the 1940s had broken down, run out of steam. A new understanding was needed involving both labour and capital that would allow a resumption of growth and, as far as the Labor Party was concerned, not sacrifice the traditional concerns of social justice and equity.

This government’s achievements were to do what few other governments were able to do in the ‘eighties: sustain economic growth throughout the rest of the decade; to have very rapid levels of employment growth, certainly considerably higher than in the Fraser period but also much higher than in the OECD as a whole; and to undertake an extraordinarily ambitious and unprecedented tax reform, albeit not quite what the Treasurer or Treasury had in mind. In distributional terms, in terms of the social wage, there were reforms such as Medicare; improvements in specific areas of income support, particularly in terms of support for children and young people; and substantial change in education. Taken as a whole, the achievement was to begin to build a rather different model than the previous Labor government had done but made necessary
by the fact that the 1940s model was no longer appropriate.

How would the Hawke government compare with, say, the Swedish Social Democratic government or the French Socialists?

Better with the French than perhaps the Swedes. The Swedes have been able to sustain growth and improve the social wage in a way that makes Sweden the envy of many countries. The French on the other hand have been through several phases. I think they've learnt from rather bitter experience that you have to deal with both sides of the equation, and you do have to look internationally. For example, the French tried to sustain very rapid growth against the rest of Europe and were brought back into line, so to speak. They took a highly interventionist approach initially but then almost went to the other extreme. In terms of distribution, I think there's not a lot they have to teach us.

How does the government rate on other criteria. Take, for example, the distribution of wealth. Studies show that the government has provided safety nets for the poorest people, yet at the same time the ultra wealthy have also done very well. Most people in the middle have seen their living standards decline, and many in the labour movement argue that more should have been done for them.

I suppose we were all also learning about ambiguities and contradictions - one step forward, two steps back. And about the fact that the working class or those who are powerless include people outside the workforce as well as people within it. There's been an unprecedented commitment by the labour movement in the 'eighties to the needs first of all of the people outside the workforce. In the 'seventies I don't think that commitment was really there - the trade union movement tended to ignore massive scale of unemployment. In the 'eighties, the union movement has been prepared to make quite significant sacrifices for the sake of re-employing the excluded. That's tended to mean that, where there's been tough fiscal policy, the priority's gone either to improving the benefits of those who're out of the workforce, or to putting in place programs that will get people back into the workforce, or make possible the growth that will get people back into the workforce.

As to the other concerns about distribution and the widening gap, partly that's related to the inefficiency of capitalism. That is, to get money into needed investment has required higher profitability. Sometimes that profitability doesn't finish up in terms of jobs - unproductive investment - and that's got to be understood. But there's been a lot more productive investment than has sometimes been acknowledged by the Left. That will pay off in the longer term, although some sections of industry, not just manufacturing, haven't always got their share.

There's also a widespread perception in the media too that some new sections of capital have been allowed to get away with too much in terms of borrowings for speculation and takeovers.

They've come back to the field now!

Yes, but not by a conscious government policy.

They were given their heads, that's true, but they've also had to deal with the fact that the world's a much harsher place than they perhaps hoped for. In some ways, the core of all that is our attitude to protection and to a sense that we could run the economy with essentially a domestic model rather than an international model in mind. Overcoming that has been a very big wrench for many people. We started the 'eighties as a very protectionist movement. We've come out basically saying there ought to be more positive assistance, more interventionist approaches to industry development, but I don't hear too many voices saying we ought to go back to the old model of protectionism and isolationism.

Many argue that financial deregulation, at least in the free-for-all way it was done, created many of the problems. And it wasn't even offset by an interventionist industry policy.

It's more a matter of learning to live with a different approach and trying to understand how that approach works. For example, we've now experimented with six versions of wages policy under the Accord. There's no doubt that, whatever the weaknesses have been, wages policy has meant that the benefits of growth have not been wasted, they've been put into investment, into jobs, into caring for those that were excluded. But we're still going through a process of trying to understand how to get the flexibility that's needed, and I guess the comparative social justice that's needed as part of that wages system.

What do you think the government might have done which it hasn't, things which might be rectified, or which are left over?

We dealt with very basic things in the 'eighties, like jobs, the Steel Plan, the car industry plan. In certain respects these were designed to stop the rot, to provide a way of reorganising industry. In social security it was all about getting the safety net back into place, getting some value into some payments. A lot of what the government did seems in retrospect just so basic, to do with growth and a fairer distribution of income. If there's a criticism, I think it would be that not enough emphasis was placed on what you might call structural inequality and this should be placed on the agenda for the 'nineties.
What is that agenda?

The agenda is fairly obvious. Firstly, we need to go further in rebuilding Australian industry. That was never going to take place in ten years. Perhaps one of our mistakes was to raise expectations that something needing decades could be done in a few years. It's a major task and it's many-sided. Similarly, in the social policy area we've got questions of housing, transport, access to services, the relationship between immigration policy and the need to provide the services and facilities to meet that expanded population - those kind of issues.

Talking about an agenda for the 'nineties, the environment is clearly one of the major new issues intruding on the labour movement's traditional concerns.

In the 'nineties we will probably have to go back to some of the ambiguities of urban environments where you get trade-offs between, say, jobs and a clean environment. Or between public transport and the limits that puts on people's mobility and the use of cars that are dominating and clogging cities. Or perhaps questions of housing density. You can live in a low-density suburb, which looks good from an environmental viewpoint, or a higher-density area which paradoxically may not look as good but might give you better access to public transport and make the whole thing run more efficiently and economically. Or the issue of hazardous wastes and their storage, which some in the green movement seem to ignore because it's an urban issue.

Another issue is privatisation, recently put back on the agenda.

I support the ALP Platform on that, and I want publicly-owned authorities such as Qantas to expand and succeed. Essentially the problem is one of financing. We need to look at options like borrowing, leasing, use of non-equity capital, worker participation, non-voting stock, and a whole range of such mechanisms. Enterprises such as Qantas and Australian Airlines shouldn't be allowed to fail because we can't find the funds.

Turning now to your own position. It seems many people on the Left, including in the ALP left, feel that you and others have shifted too far towards the dominant forces within the government. On the other side, your supporters argue that you've achieved important gains within a certain
framework and influenced the government. What do you say about those conflicting perceptions?

Well, the fact is you're part of a coalition of forces. In some ways that's the easy answer but that's the reality. I mean, you do what you can within the overall position and it's not linear progress. You always have that problem of the contradictions that are involved in achieving change. Nevertheless, what the government has achieved or what we've been able to achieve as part of the government is in many respects substantial. You just need to look at ATSIC, for example, which is probably the most substantial reform in Aboriginal Affairs in the postwar period. In terms of family assistance, there has probably never been in Australia a better commitment to supporting children and families and young people than we've achieved in terms of income distribution, particularly to those at the bottom of the pile. We've been able to achieve very substantial reforms in areas of the public service in terms of working conditions, occupational health and safety and so on.

And these are reforms that wouldn't have been achieved if the left had not been part of the government?

That's right. You can either be part of it or you can be out of it. If you're part of it you have to take the rough with the smooth but the reforms are substantial. Take for example the debate on taxation. At the time of the 1985 tax-reform debates, I carried that debate substantially within the party and so on, and we won that debate. Now we see the pressures rising again but it was a very significant victory at that time.

On that last point, the 1985 Tax Summit struck me as one of the few examples of a coalition of progressives in parliament, the wider labour movement, and community organisations. It seems that once Labor's in government, progressive movements aren't active enough.

Yes, but that's one of the problems of Australian politics: the movements outside parliament tend to be very weak. Australia doesn't have a strong mass tradition of involvement in politics or populist movements. People complain and rail about corporatism in Australian politics but it's really probably only through a corporatist model that you could get the degree of change that we had in the 'eighties. After all, if we talk about who's done better, the only places are probably countries like Sweden that operate on the corporatist model.

In one sense there's been a lot of contact. The trade union movement has never had the information, the power, the involvement in any government in Australia before, that it's had during this government. Yet I suppose if you talked to trade union officials on the left, they're likely to tell you that the disenchantment with the labor movement has never been greater. So there's a contradiction.

Why don't progressive movements actively intervene?

You can often find coalitions of people who'll take an oppositionist position on something. It's much harder to produce sustainable reforming government over several years. We've never had experience in Australia at a federal level of trying to sustain a government into a second decade with five straight Labor governments. Of course the pressures of communication with your base get to be very difficult because sometimes you simply can't, under the Australian model, where the lines of communication are so weak. One of the things that's different in Sweden is that a very high proportion of people are active in trade unions, and more directly in the political process, than Australians are.

The rise of Gorbachev and the dramatic changes which swept Eastern Europe means the need for a big rethink by the Left. What conclusions can you draw about the theoretical and discussion work that the Left might do over this decade as well?

I think that Milovan Djilas' judgment about the model in Yugoslavia has really been proved right. That is, there is no socialism that is not fundamentally democratic in nature and once the democratic processes break down then the seeds of real socialist change will be ultimately destroyed. Those two things have got to be thought out together: the need for a social response but a radically democratic one as well. It doesn't really matter which end of the polarity you happen to start with, there is a polarity there. The model in Eastern Europe was fatally flawed because they could never quite get that right, to put it mildly.

The Right is claiming now that the existing model of liberal capitalism is the best we'll ever achieve as a workable model of human society.

But then the Right are at best 'libertarian'; they're not really committed to democracy. Also, in Eastern Europe the extreme Right has re-emerged and the extreme Right in Eastern Europe is pretty frightening. So those who are crowing should perhaps have another look to see who the people are who are emerging into positions of influence and power. Eastern Europe has traditionally been a source of massive instability and I think at the moment you can see a lot of the signs of instability re-emerging. Now that's no justification for repressive regimes, which many of the old ones were, but at the same time it's pretty salutary.