

The regiments of left and right now march to market

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THE left has lost. So say the left! This is not a point-scoring statement from someone from the right but the words of the people from the left themselves. They say that market-based capitalism has proven it works. They no longer hate it.

This may seem simple but it is staggering in its consequences for politics in Australia. It is seminal and all embracing.

The old left-right battle is now no longer primary to understanding the fundamentals of Australian politics. Deeper analysis and deeper meaning must be investigated.

The shift is blunt. The central plank of left politics has always been that the capitalist system necessitated war between two classes; the workers and the bosses.

The bosses (capitalists and managers), would always seek to exploit the workers. The economic system required this and concentrated power with the bosses. Consequently, workers had to bond collectively to prevent being exploited. This inevitability of class warfare is the core of the left's economic and political world view.

But in the past few years the left has accepted the falsehood of this assumption, particularly as it applies to Australia. That's a huge step for the left. It recognises and accepts that market-based capitalism clearly delivers sustained economic growth and maximises equitable distribution of wealth. Exploitation is not inherent in market capitalism. The left no longer hates market capitalism. It has embraced it.

It recognises that deprivation is not a consequence of market capitalism but is the product of other human situations; namely family dysfunction, ill health, disability, poor education and substance abuse.

This shift by the left is new and can be identified in fairly recent writings of leading left academics and the repositioning of the Left of the Labor Party. It's not something they are yelling out loud but it's a huge political development. It holds huge implications for economic management, business operations, workplace relations and social policy.

It explains why the Australian Labor Party is now politically dominant in Australia. With the conversion of the left to market capitalism, the economic rationalists within the ALP and the left are able to work together without suspicion. It's why factional division within the ALP has largely disintegrated.

Under Hawke and Keating, the economic rationalists pushed through economic reform but they had to stomp on the left to do so. The Left and the Right in the ALP did battle. The battle is largely over; the Left have mostly converted.

The old-style lefties who remain in the ALP are frustrated. Some are young. They are isolated and locked out from the real levers of power in Labor. Many have resigned from the ALP and joined the Greens. This suits Labor. Parked in the Greens, they are politically more manageable than if they continued to work the numbers within the ALP.

The Liberals are strategically blindsided. They are in determined denial about the changed ALP. They have missed the shift, failed to read the changed environment and hence failed to redefine and reposition their beliefs and brand.

The core change inside the ALP has been a long time in the making. It started with practical people recognising that the electorate no longer defined itself along class lines. This developed into practical political strategies that have affected Labor philosophy.

The Labor movement is a conglomerate and culture of thinkers. Political argument, frequently aggressive and fiery, is a core function. Ideas with passion matter. It causes great divisions. But when cohesive themes emerge, formidable strength is the outcome.

About six years ago, some of the most influential and important left thinkers in the Labor movement made the shift to acceptance of market capitalism. It rocked the thought processes inside Labor. It broke through politically in a dramatic way with the emergence of Kevin Rudd as federal leader.

Before that, the Bracks/Brumby governments in Victoria, the Beatty/Bligh governments in Queensland and the Rann Government in South Australia were and are the result of political pragmatism sitting atop a newly emerged ideology. Application of free-market principles defines their focus.

Even the less competent Labor governments of Western Australia and Tasmania are in tune with the new way. Only NSW has remained hopelessly corrupted by left-leaning and pretty ugly tribalism. Left-Right war still rages in NSW Labor. But the shift in NSW has begun, witnessed by Premier Morris Iemma's push against his party machine over electricity privatisation.

None of this means the task of government for the ALP is easy. There are huge tensions to be managed. But it does mean that ALP governments are not torn over fundamentals. To understand Labor now means appreciating different tensions. This requires deeper investigation and analysis than just thinking in left-right frameworks.

Even though the left has accepted that market capitalism delivers economic results, it has not by any means said no job is to be done. There's a new theme that is neither left nor right but lifestyle and happiness focused.

The argument is that wealth does not deliver happiness. Australia and Australians are fantastically rich compared with past generations and to most nations across the globe. But in our wealth we have defined ourselves and our worth by what we consume. Obsession with consumption has overpowered us and demeaned us. The new politics, so the argument goes, requires two thrusts. The first is to continue to manage the success of market capitalism. This is hard enough. The second involves connecting with the human desire for meaning. This is incredibly complex, leading into untested territory. But it's created a new political reality totally disconnected from any left-right discussion.

A close look at the Rudd Government allows these twin elements to be seen. It's why respectful discussion of spirituality, relationships, family and self-worth are comfortably interwoven with economics, business, finance and tax.

It's a new framework for politics and public policy debate. The simple two-way split has gone. For each of the political parties, for business, unions and individuals, it's a new environment.

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