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Jennifer Rayner reports on the fraying of blue-collar jobs | P. 16

Jonathan Rutherford writes on the future of British Labour | P. 28
We are delighted to announce the establishment of the

John Curtin Research Centre Leadership School

Our Leadership School consists of a program of bi-annual, intensive workshops and aims to equip young Laborites with the skills and knowledge to develop innovative ideas, advocate complex public policy, learn about the history and culture of the Australian and global labour movement, and gain exposure to state-of-the-art campaigning techniques and leadership practices, geared to pursuing our centre’s aim of fostering a better, fairer Australia.

Leadership School inductees will closely engage with an array of leading labour movement activists. Our first Leadership School workshop will include:
- The Art of Leadership talk and Q & A*
- Campaigning Masterclass*
- Public Policy Advocacy Masterclass*
*each with state and federal Labor MPs and leaders
- History and culture of the labour movement with Dr Nick Dyrenfurth.

The John Curtin Research Centre Leadership School’s first intake will occur in early February 2018.

While there is no cost attached to the participants, entry into the School’s program is highly competitive and places are strictly limited. Eligibility is restricted to candidates between 18 and 26 years of age.

Prospective candidates are asked to submit a 1-2 page application outlining their work and educational experience, engagement with and commitment to the labour movement, and readiness in terms of maturity and motivation to benefit from the School’s program, along with a curriculum vitae, including two references, to JCRC Executive Director Nick Dyrenfurth (nickd@curtinrc.org). Applications close 31 December 2017.

For more information, head to curtinrc.org or email nickd@curtinrc.org.
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When the John Curtin Research Centre launched earlier this year it began its life amid political turmoil at home and abroad.

If anything the flux, or ‘disruption’ to borrow a modern phrase, has worsened. The position of the Malcolm Turnbull-led Coalition government appears untenable. It limps from one self-inflicted crisis to another. All the while, the national scandal of non-existent wages growth, systemic wages theft and the Uberisation of the economy continues apace. All of this makes our centre’s mission – of waging the battle of ideas within and on behalf of labour – even more important at year end 2017. We hope that the contents of this latest edition of The Tocsin will assist in that task.

Inside you will find an outstanding article by leading British Labour thinker Jonathan Rutherford, Jennifer Rayner writes on the future of blue-collar work, Kosmos Samaras provides a post-mortem of the recent Northcote by-election, Rebekka Power argues for a fun-filled solution to the jobs crisis in Geelong, plus much, much more. Speeches from our very successful inaugural gala dinner held in October by Labor leader Bill Shorten and yours truly are also published.

We are delighted to announce that during the year our board of advisors has been augmented by several excellent additions. Please welcome to the JCRC: Labor Member for Perth, Tim Hammond; former Labor Senator Stephen Conroy; Professor Marc Stears (Macquarie University); ex-Labor MPs Mary Easson (New South Wales) and John Mickel (Queensland); and Marina Chambers (Australian Workers Union, National President).

The JCRC plans to go out with a bang in 2017 and has exciting plans for the New Year. Please join us on Wednesday 20 December for our first annual end-of-year drinks at the John Curtin Hotel (where else?) featuring a special guest speaker, who will launch this the 3rd edition of The Tocsin. We are delighted to formally announce that applications are open for the John Curtin Leadership School. Please refer to the advert in the inside cover of this edition and online.

Regrettably, owing to the Turnbull government’s cowardly decision to cancel the federal parliamentary sitting week schedule for the end of November, we were forced to postpone the launch of our joint policy report with Vision Super, Super Ideas: Securing Australia’s Retirement Incomes System. New launch details will be advised shortly. Look out too for Tim Hammond’s forthcoming essay on resources policy and new reports traversing health, taxation and vocational education. In the meantime we hope to see you all at our end-of-year drinks.

Wishing you, your families and loved ones a safe and happy holiday season!

In unity,

Dr Nick Dyrenfurth
Over 200 guests packed into Crown Melbourne’s Studio 3 to attend the John Curtin Research Centre’s Inaugural Gala Dinner.

Guests enjoyed an evening of fine food and drink and finer conversation. Speeches were delivered by our Chair Dr Henry Pinskier, Executive Director Dr Nick Dyrenfurth, Advisory Board member Mary Easson and special guest Bill Kelty AC, former Secretary of the Australian Council of Trade Unions, who delivered a vote of thanks.

We were also honoured to hear from our good friend, federal Labor leader Bill Shorten, who delivered a rousing address on the pressing need for a grand bargain between government, business and unions to lift wages and ensure economic growth with prosperity for all.

Thanks to our supporters and friends for attending and continued support of our centre’s work. Reproduced below are Bill Shorten and Nick Dyrenfurth’s speeches to the JCRC Inaugural Gala Dinner.

BEFORE I give my acknowledgements I just want to set the ground rules for tonight – we can win the next election. We are most certainly competitive. But what I believe is the greatest obstacle for us convincing a majority of Australians to give Labor the privilege to form the National Government will be if we are timid: if we are not policy strong, if we are not policy brave.

We live in an area where ideas matter and tonight I want to channel a bit of the Curtin Research Centre who are inspired by Curtin. Our greatest obstacle is whether or not we ourselves are as strong, as brave, as authentic, as fair dinkum, as passionate as John Curtin was. And tonight, I want to establish to you – we will not be timid. We will be as strong and brave and optimistic as the Australian people expect us to be.

Now I would like to, as my first acknowledgement, acknowledge the traditional owners of the land upon which we meet, and I pay my respects to their elders, both past and present. And indeed today I want to make a second acknowledgement. Today is the International Day of the Girl Child, and I combine those two acknowledgments to say that whatever else a Labor Government will do - we will ensure that Aboriginal and Torres Strait Islander girls get the same chance in life as every girl, which should be the same chance as everyone else.

I want to acknowledge my federal colleagues who are here and I’m looking forward to seeing them next week in Canberra. And I want to thank Nick Dyrenfurth and indeed the board and all the staff for extending their kind invitation for Chloe and I to attend tonight. And amongst all of the people who are here, I would like to acknowledge – I don’t know about the rest of you but sometimes when you speak there’s always someone who made you pull up your socks and pay more attention and focus more on your vowels or on your ideas. And tonight, for me - I love him, I would like to
acknowledge Bill Kelty and of course Sue Kelty. Because Bill’s something of a hero. Bill, I owe much to, he encouraged me over twenty-five years ago, to step move from the law, where my flourishing career had not fully crystallised, and he said: ‘Go try your hand at organising’. And then like one of these people, where you know he’s wise, he turned up at our cottage at Moonee Ponds the Sunday after the 2013 election. And on a little wooden bench out the front, he was there. It was a hard time. The Labor Government had some good ideas, we did some good things but the Government had been soundly rejected at the 2013 election and the next day, there’s Bill Kelty. Bill, as anyone who’s had the privilege of knowing him, never cuts the cloth of his views to suit the fashion of the day, the fashion of the listener, he just tells it as it is. He said: ‘You’ve got to run for the leadership’. Then he gave some less encouraging words about my prospects, you know, is it the right time for you. He said ‘you’ve got to run’. And it’s the mark of Bill Kelty that when he says you’ve got to do something, you feel like the guy in the whale, you’re listening to the guy who sat on the boat and got in the whale – you’ve got no choice. And so, can I tell you something I haven’t admitted to a lot of audiences and something Bill would never ask me to, but a lot of my good ideas are his. The bad ones are all my own work. It’s great to see you here tonight Bill, you’re a fantastic person.

Some people shrink into the Prime Ministership: they’re captive to circumstance, they’re hostage to events. Others are so obsessed by keeping power, that they’re too frightened to exercise power. But our John Curtin, he didn’t just rise to the responsibilities of office, he rose to his moment in history as none have before and none have since. A Prime Minister in wartime Australia. Our man was a fighter. He was never guaranteed of success, he always chose his battles and he was never frightened to go hard on behalf of working people.

It taught Curtin, the socialist firebrand, a great deal: as any of us who have been union reps know. He would stand in a public space and you put your face forward and people don’t have to clap, people don’t have to agree, in fact what you say matters to them in their circumstances. It taught Curtin how to win an argument. It taught Curtin how to overcome hostile audiences. And like all great Labor representatives, he never forgot it. He never forgot where he came from.

It was twenty-five years later, from that hundred years ago, after one particularly rowdy session in the parliament, where Prime Minister Curtin went on the attack at the conservative Opposition. Robert Menzies, frightfully offended, accused him of ‘Yarra Bank’ tactics. When he was asked by reporters, did he find that title derogatory, Curtin replied:

The Yarra Bank was my university.
The Yarra Bank was my university.

‘What a great retort – and only 32 characters long as well, there’s plenty of room for the Twitter handle and a hashtag. We’re all students of history here, you wouldn’t be here if you’re not interested in our history. Some people shrink into the Prime Ministership: they’re captive to circumstance, they’re hostage to events. Others are so obsessed by keeping power, that they’re too frightened to exercise power. But our John Curtin, he didn’t just rise to the responsibilities of office, he rose to his moment in history as none have before and none have since. A Prime Minister in wartime Australia. Our man was a fighter. He was never guaranteed of success, he always chose his battles and he was never frightened to go hard on behalf of working people.

Now when you think about it - as students of history - sometimes you look back and you say, it was a different era, when giants walked the land. If you look at the sideshows now, the stunts consuming Australian politics from our Government, or from the inside. We have the Deputy Prime Minister in the High Court arguing that he should keep his place in the Parliament because of his ignorance of the Constitution. We have the
former Prime Minister in London, claiming that cutting pollution is the same as sacrificing goats to a volcano - proving there’s no limit to his lack of knowledge. And besides that, it makes us all wish we had applied for a Rhodes scholarship. But in all seriousness, it makes Curtin’s example all the more powerful, all the more timely. I want to put to you tonight, in the theme that our timidity is our challenge, that when you strip away all the questions of politics, all of the sideshows such as I just described.

I want to put to you tonight, as we recognise Curtin, that there is one test in politics and – Bill was making this point to me the other day – there’s one question in politics that matters. Many of other things come and go but I want to put to you that the one question which matters, the one test, the one measurement, the one standard that regardless of one’s political ideology, affiliation, the one thing that matters, the test is: Will we leave this country better than we found it? Do we hand on a better set of circumstances to our children than that which we inherited from our parents? Now, as many of you will know, one of the best moments in one’s life is having children. There’s no better moment for me as a person than when I became a Dad. And I’m sure people would agree that it straightens you up a bit. Not that I was a bad person but when you’ve got kids you realise that there’s something more, that’s all. You’ve got an obligation don’t you, to the future. I am sure that the parents, the Aunts, the Uncles, the neighbours – you don’t have to be a parent, the point is we all are united by what is it that our kids are going to grow up to be. We can’t make them happy every day but you want to make sure that they’re okay. I’ve got two teenagers and my youngest daughter is seven.

I ask myself – when I sit in that Parliament, in that position of privilege, that amazing ability to talk about the moments which, you know people talk about in the news. I ask myself what kind of country will my seven-year-old daughter live in when she is thirty? What opportunities will she have: an opportunity to find a job, buy a home, start a family, what opportunity will she just have to live a life full of quality and meaning? I want to put to you, all of you interested in the direction of this nation, that everyone in Parliament and everyone in public life. The test we have to answer is – what is our legacy? We talk about Curtin’s legacy. What will be our legacy, what is the difference that all of us will make to this fantastic nation? What will our country be like in 20 years’ time? You take it beyond where I am, you take it – look at the young people, some of them are serving us tonight. Look at the young people you see on the trains and trams. How are they going to support themselves through university, or working hard at an apprenticeship – what does the future of work hold for them? But it doesn’t just have to just be for our young people. Look at some of us, people working in our 40s and 50s, contemplating retirement as you do after a certain point – how will we be going in 20 years’ time? I look at new retirees now in their 60s: they’re comfortable now - but how will they cope, watching every dollar? Healthy now - but worried about the unexpected, those shafts of fate, as American poet Robert Frost described, the shafts of fate. The shifting of the financial goal posts; illness, that cursed dementia.

I believe our movement must be able to deliver for Australians in the next generation, no matter where they are in their life cycle now. And unless we as a movement can answer the question; what is the legacy we leave? If we were to have this lovely dinner in 20 years’ time or in 10 years’ time, what is it that we collectively will be able to say in 10 or 20 years’ time that we did between now and then? What is the legacy we leave? I am concerned that politics in this country is failing that test of leaving a greater legacy. I am worried that amidst the spike on one hand of our growth, and our terms of trade – we are going to be the first generation of Australians who hands down a lesser standard of living to our children than the one we inherited from our parents. Are we going to be the first generation of Australians from whom, unless these children have rich parents? That’s it, no more hope. And I want to put to you tonight that at the heart of my concern is this simple economic truth: we are now currently in danger of having growth without prosperity, where too many of the benefits of economic growth are confined to too few.

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Ever since the Global Financial Crisis, there’s been a growing divide between those who derive their wealth from assets – and between those who rely on wages and income. If you’re someone who has a significant portfolio of assets, a strong asset allocation in property, if you’re one of these people, you’ve done well since the Global Financial Crisis. But if you rely on wages, upon income principally – if your only asset is your hard work, if you’ve got nothing to sell but your time and your labour – then your income has not progressed. And because low and middle-income Australians are paying more to see a doctor, paying more for childcare, paying more at the supermarket and paying more for energy. There are millions of our fellow Australians who simply feel like they’re stuck on a treadmill. The speed keeps increasing, they keep working harder and harder to keep up, but for all their time and effort, all their toil and sweat – they’re stuck in the same spot. And, today, new analysis from the Parliamentary Budget Office reveals that middle-income earners, people with an average take-home wage of $46,000, are carrying the largest share of the burden of income tax increases in coming years. In fact, under the current Government’s plans, their average income tax rate will increase by 3.5 percentage points by 2021-22. So whilst Turnbull pushes tax cuts for millionaires, far too many of our fellow Australians don’t have enough to make ends meet on a continuing and regular basis.

It’s a message which I hear everywhere I go in all of my meetings – from big cities, to the suburbs, from regional Australian in both big and small towns. And it’s not anecdotal, it’s not an imagined grievance. Wages growth is at its lowest since records were first kept, back in the 1950s. Real wages are going backwards.

We are witness to the first stage of a creeping Americanisation of our labour market. There’s much to love about America, but not its labour relations and its labour market. What we see is that increases in productivity in the workplace and efficiency aren’t being shared by the people who are creating them. Let me give you a couple of numbers, which I suspect will surprise you.

In the last ten years:
- Real labour productivity has grown by 20 per cent.
- But real wages have grown by 6 per cent.

Twenty per cent increase in real labour productivity, 6 per cent increase in real wages. Superannuation which would have been 12 per cent under a Labor Government, is frozen at 9.5 per cent – so 2.5 per cent missing of your super. And superimposed upon this story, we’ve seen:
  - Rapid technological change, re-defining work.
  - And the constant and relentless off-shoring and casualisation of work, undermining job security.

Now of course, there are specific challenges which leap out at us:
- The rapid growth of the use of labour-hire casuals, contracted-in to undercut the pay, conditions and hours of permanent staff.
- The underground subterranean scourge of wage theft, vulnerable workers systematically and sectorally ripped-off by their employers and too frightened to complain.
- The continuing inequality dealt to the women of Australia, by the disgraceful gender pay gap in this country that means our girls, compared to our boys, our girls effectively work the first two months of every year for free, compared to the boys.
  - And of course, most contemporaneously today, the confirmation that the 700,000 workers in retail, hospitality, pharmacy and fast food, face four consecutive years of cuts to their Sunday penalty rates - and the green light this gives to the award cuts and penalty rates of hundreds of thousands more of workers covered by other awards.

My good team and I are working hard on policies which go to each of these issues. But the stagnating wages of Australia, the greater inequality between those with physical assets and those who rely upon income, cannot be laid at the feet of one sector, one unfairness, or one act of neglect or abuse. It cannot be resolved with one single announcement. I believe that the set of economic circumstances facing us are unprecedented: both in the speed of change and the complexity of its consequences. We need business and unions and policymakers and leaders and the Parliament to do something drastic, something radical, something profoundly different that we haven’t seen since the 1980s: we need to co-operate. The national debate about wages of course, is a debate older than Federation, and after all this time, I think there’s a kind of muscle-memory involved in this. Usually, when the subject of wages crops up - everyone adopts their traditional combat positions and assembles along familiar battle lines.
• The workers and the unions on one side – pushing for an increase.
• Employers and business on the other – less excited by this idea.

But it’s so unprecedented, our set of circumstances, we are seeing unprecedented reactions. We’ve got union leaders, business leaders, economists and analysts of every stripe on the same page. The Reserve Bank Governor has spoken about the ‘crisis in low pay’. The International Monetary Fund and the World Bank are outlining the economic consequences of deepening and widening inequality. And business leaders and employers who I speak to around the country are actually saying, “Bill, this is a problem.” They understand that middle and lower income Australians spend every dollar they earn. When you cut penalty rates you are cutting consumption. When you reduce wages, you are decreasing the volume and the circulation of income in the economy. They understand that people on lower and middle incomes not only spend every dollar, but if they can’t pay the bills they’ve got to borrow more money to spend it. And when you think about it – the rising prices, the financial pressures - you’ve got income taxes increasing with the increase in the Medicare levy, you’ve got flat wages, you’ve got cuts to penalty rate. The consequences don’t just stop at the individual family budget, they are being played out in the High Street, or every suburban strip shopping centre, of every regional town in this country. Household consumption is the key driver of economic growth, it contributed to nearly 60 per cent of the price of domestic product, 60 per cent of what generates wealth in this country. And retail trade is the canary in the proverbial coal mine. It’s an important component of consumption. The August figures show the impact of the pressure on households. We saw retail suffer the biggest two-month decline in the last 7 years, since the GFC:
• The money being spent at cafes and the restaurants fell by 1.4 per cent
• Spending on household goods fell by 3.1 per cent.

This isn’t because Australians went on a diet, it’s got nothing to do with a lack of something decent on sale. It’s because when you don’t have enough regular hours at work, when you’re sitting at the kitchen table with a stack of unpaid bills, when you’re trying to work out which bill can be put off for another two weeks or a month, when you can negotiate with your utility provider and instalment plan. When everything is going up, except your wage -the first things you pull back on are the extras, the luxuries, the Sunday breakfast out with the kids.

Despite some improvements in the labour market figures, we are in an unusual unprecedented time when more jobs are not creating greater security or better wages. That’s why, if you’re a business-owner in retail, you are nervous about this Christmas. And the most dangerous thing about economic insecurity is that it’s infectious. Confidence drives an economy and a lack of confidence stalls an economy. Low wages growth and low wages- it erodes an economy, not just in household spending. It’s why plenty of people realise we need to lift wages in this country.

I never thought I’d see a set of circumstances where there was such consensus outside the Parliament of Australia. For everyone’s sake, working Australians need a wage rise. Now, I said that the Federal Court today upheld the decision to cut Sunday penalty rates and the public holiday penalty rates – but there is an umpire above the courts on this decision. The ultimate decision will be for the Australian people at the next election. I think the choice is crystal clear. A vote for Turnbull’s Liberals means cementing a cut to penalty rates. A vote for Australian Labor will mean a chance to restore penalty rates and restore confidence in the Australian economy. I can predict the retort from our conservative colleagues who we see again next week in parliament. They will say: “There he goes again, Shorten with the union angle, running the workers’ lines.” They’ll call me the most anti-business, Cuban-Corbyn-East German-Socialist leader – ever. But let me say this – when they taunt me, I think of Curtin. When they taunt me about union soap-box propositions – my university is Australian workplaces and my teachers were Australian workers in Australian businesses. I am proud to be a union member. Not because it’s the best thing going, but because it’s taught me so much. I’m proud of the improvements in pay and
conditions and productivity that I negotiated with the workers and with the management of so many enterprises. But I’m not making the argument about the need to lift the minimum wage and the social wage and the circumstances of middle and working class Australians because I’m a former union rep seeking a better deal for my members. I’m not even pushing this point as Labor Leader, as a point of some political differentiation.

I’m here as the alternative Prime Minister of this nation, saying working Australians need a pay rise. We need economic growth of between 3 and ideally 4 per cent. We need to lift productivity on a regular and continuous basis, more than 2 per cent. I do believe the wages of this country need to move up - I make no apology for that. Because I understand how an economy is constructed.

• When the working class believe they have a chance to get into the middle class.
• Where the middle class believe they have a chance to stay in the middle class.
• When we have productive members creating wealth in our businesses.
• When we have productivity driving the creation of new enterprise, and we’ll get a productivity share between reasonable and productive increases in people’s wages, with increasing superannuation, and extra income being provided to the social wage of this nation.

This country sings. We just don’t read the notes, we play music. This country has been founded on the proposition of cooperation – that when every Australian gets an opportunity to better themselves, this country progresses. I know, even before Curtin, that the idea that animated our movement was that a fair day’s wage for a fair day’s work is a proposition which is evergreen. It animates our movement. But the challenge confronting us is bigger than us. It’s about more than where we’ve come from. It’s about more than who we are. The challenge that animates us, is about what our country needs from us. This is, to return to where I started, a fundamental test of public life. The test is not the sideshows and the noise. It is not the soundbites on the television on a nightly basis. The test which animates our movement is what legacy will we leave? We need to rebuild the bridge between hard work and a fair reward. We need to restore the link between productivity gains and the legitimate distribution of the benefits amongst all sectors. We need to re-affirm the idea that the sacrifices you make, that if you lend the enterprise of the nation your time and effort, your taxes and your hard work, your good parenting and your good neighbourliness – then we need to reaffirm that you can have faith, that you can leave something better for your kids than you found. We need to re-animate the faith that the sole determinant in life isn’t how rich your parents are.

I’m ambitious for Australia, I’m ambitious for the success our nation can surely achieve – and just as importantly – I’m ambitious to share the success of the nation with all of those who create it. And unless the gains in national income are legitimately distributed amongst all of the contributors, then we go backwards. I believe the government has to be something better, something more, than a mechanism for transferring money from the working and middle class Australian of this country to vested interests. I believe that higher productivity should not simply flow to higher corporate profits. Our success comes from re-investing our wealth in all of our families and all of our institutions. We are a very good country. I’m proud that we have a strong social wage. I’m proud that we have a strong minimum wage. I’m proud that we have superannuation, although I am dissatisfied at the level which it is currently at. I’m proud that we have a world-class education, although I think we could do better, and we should extend its opportunities right through the lives of Australians. I’m proud of our Medicare system and our NDIS. I’m proud that we are a country who treats regions as importantly as the city. Who believes that women should be equals of men, and that we should close the gap between our First Australians and all other Australians. I’m proud of the fact we are multicultural. I’m proud of the fact that 27 in every 100 Australians is born overseas. I’m proud of the fact that we welcome migrants. I’m proud of the fact that we can do better because we believe everyone has got something to contribute. But our future is not guaranteed, our future is not automatically certain. We need to be a pluralist country, we need to welcome points of view from all across the spectrum – we need to understand that we are a country who works best when we bring things together.

Our political success as a movement is not guaranteed, but as I’m sure Curtin understood, and as I’m sure we understand tonight, that if we are our best selves, if we are strong and bold, if we do not rely on the argument at the next election that we are not Turnbull and we are not them. If we rely instead on an argument that we have a positive agenda, if we rely upon the proposition that we want to leave the place better than we found it, to hand on a better deal to our kids than the one we inherited - then I believe we can be a successful movement contributing to a most successful country.
I’d also like to acknowledge the traditional owners and custodians of the land on which we meet tonight. I pay my respects to their Elders both past and present. Henry, thank you for that generous introduction and thank you all for attending this evening and supporting our centre’s work. I’d like to especially thank Bill and Chloe Shorten for taking time out of their busy schedule to be here. And my sincere thanks to our stellar Committee of Management and our Board of Advisors whose hard work, persistence and faith in me are deeply appreciated.

Henry touched upon the values which underpin our labours, our purpose. But I wanted to speak briefly about the man who bears the name of our think-tank. John Curtin was a great Laborite and a great Australian. One of the greats. Many of you are familiar with the story of our World War Two prime minister, and his leadership in those trying years, yet there is so much more to his life’s work. Curtin was born in 1885 at Creswick to working-class Irish-born parents who moved to Brunswick. With little formal schooling, he became a copy-boy, worked odd jobs. Ideas animated his life. At the local library he devoured political works, poetry and novels. He also played cricket and football, eventually for Brunswick, and possessed excellent taste in football clubs, as a supporter of the then Fitzroy Footy Club.

Curtin was always in the thick of the battle of ideas. He gained a reputation as a standout Labor orator, a writer of immense talent and union official, from 1911 becoming the organising secretary of the Timberworkers’ Union in Victoria and editor of its newspaper the Timber Worker. It was Curtin who led the victorious campaign against military conscription organised by the labour movement during World War One, before moving across the continent to edit the Westralian Worker newspaper.

Having stood unsuccessfully for the seat of Fremantle in 1925, he won it handsomely in 1928 and again the next year before being caught up in the maelstrom of the Great Depression and subsequent Labor split. Concerns over his drinking contributed to his failure to secure a place in Jim Scullin’s cabinet after 1929. He lost his seat in the landslide defeat of 1931 but won it back in 1934. When Scullin resigned the Labor leadership in 1935, Curtin won the resultant ballot by the narrowest of margins. Upon becoming leader, at a special conference held in early 1936, Curtin managed to bring about a precarious unity in Labor’s ranks. He led Labor out of the wilderness and in the midst of the internal dysfunction of Robert Menzies United Australia Party administration into minority government in 1941 and election victory in 1943.

Curtin’s task was daunting. The economy was weak. Western Australia had voted to secede from the Commonwealth. A greater menace loomed in the form of fascism: Germany, Italy and Japan were leading the world towards another war. It was Curtin who led Australia through World War Two, asserting the nation’s interests by demanding our troops return from the Middle East. He maintained Labor’s unity, a trickier task perhaps than defying the wishes of Winston Churchill. Campaigning on a platform of ‘Victory in war; victory in peace,’ Curtin’s government won a landslide victory at the 1943 election. He was denied the opportunity to pursue his vision, dying in July 1945, ‘a war casualty if ever there was one’. But he and his successor Ben Chifley laid the groundwork of a grand post-war reconstruction of economic growth with fairness.

Curtin’s death provoked an outpouring of grief. Though shy, Curtin liked people and they liked him. He yarned with waiters and tram conductors; his staff were devoted to him. Above all, Curtin sought national consensus, not by abandoning Labor policies, but by pushing them to the hilt. The inscription on his gravestone is apt: ‘His country was his pride; His brother man his cause’.

I could quote to you from one of his great wartime speeches. They are many. But I won’t. Well before World War Two the makings of a great leader were apparent. His strength as a leader was forged in adversity, like steel pounded repeatedly before being plunged back into molten fire, emerging stronger than ever. It was mid-1916. Curtin, after
a short stint with the Australian Workers Union, was appointed as the national organiser of the anti-conscription campaign. He faced off against a formidable opponent, then Labor PM Billy Hughes. He threw himself into that work, with the ‘energy of a tornado’ according to one mate. But he could not keep up the pace of a tornado for long. His long battle with the bottle finally knocked him flat. Finally, he sought help from others and was admitted to a convalescent home near Geelong.

His great mate and mentor Frank Anstey wrote to Curtin on July 2, encouraging him to ‘stick it to the limit’ and relaying the good wishes of all. They would say, be ‘delighted to see you climb out reborn. The theory of Redemption is a living gospel and the man who has carried his crucifix and climbed his Calvary is a better man than he who has never touched the stony road of suffering.’ Anstey counselled him not to ‘hate yourself, despise yourself, or be ashamed of yourself or ashamed to face others. Curtin had been a ‘damn nuisance’ when drunk, Anstey declared – and students of Labor history would know that Francis George Anstey accusing another of nuisance making is the height of chutzpah – and yet even an afflicted Curtin, in Anstey’s words, was ‘a better man than thousands sober.’ He continued: ‘Stand upright, proud of yourself, proud of the conquest that you are going to achieve and the good that you will yet do.’

And friends, as we know, what good John Curtin would yet do. He beat Hughes. He beat the drink. He led the nation through its darkest hour. I recalled the exchange between Curtin and Anstey in September 2013. Federal Labor had suffered its worst election defeat since the great depression. We were broken in the manner of Curtin in 1916, metaphorically speaking. Unlike other parties and passing demagogues we were strong in the broken places. Like Curtin we picked ourselves up. Got back to work. We soon elected a leader who, like Curtin, was a healer, a unifier; instinctively and unashamedly Labor, and vigorously Australian. Under Bill Shorten’s leadership we came within a once since 1931. Because of the power of our ideas, policies and advocacy. And in large part because Bill cultivated a culture of ideas and he displayed policy courage, and was dogged in his advocacy. He continues to lead the national debate, unlike a prime minister who occasionally seeks to lead a dis-unified, dysfunctional government. And here we are facing many of the same challenges Curtin did – growing global conflict, national rancour, and levels of inequality not seen since the 1940s.

Friends, the times suit the labour movement – we have a historic opportunity to shape a new policy settlement in this country which builds a modern, thriving and diverse economy that creates and sustains well-paid, secured jobs in a globalised world and ensures that our health and education sectors are world-class. Never forget that the opportunity to redraw the lines of our national policy settlement presents to very few generations. I can think of only three. The settlement of the 1900s which saw the establishment of a living wage and Australia’s reputation as a beacon of progressive policy spread throughout the world. While it governed only sporadically during this era, Labor drove the building of the settlement. Then there is the great wartime and post-war reconstruction work of the Curtin and Chifley governments which laid the groundwork for a golden age – thirty years of prosperity with fairness. And Hawke and Keating’s modernisation agenda of the 1980s which built a more open, dynamic and productive economy in tandem with a union movement which worked constructively with business and government. It meant we avoided the worst excesses of free-market madness such as Thatcherism. It is an honour to have one of the partners of that enterprise, Bill Kelty, in the room tonight.

Friends, those settlements were spaced roughly forty years apart and responded to tumultuous events of the previous decade. In the lingering shadow of the Global Financial Crisis, it is time for our generation in 2017, through the power of our ideas, policies and advocacy, to seize our moment to make Australia a better place to live... We must yet ensure our own conquest – Labor’s return to office, because our nation and millions of working people depend upon it. Let us follow Curtin’s example and achieve ‘the good we are yet to do’.
Progressive Blues
Kosmos Samaras writes on Labor’s future after the Northcote by-election

There has been nothing more devastating or enriching to our civilisation than industrial revolution. We saw it irrevocably change our society in both the nineteenth and twentieth centuries. You and I are living in the wake of one now. The recent Northcote by-election result is possibly the best illustration of how the 3rd industrial revolution is changing politics.

Entire libraries detail the impact of the first two revolutions. Both were characterised by huge leaps in technology and science, dramatic population and economic growth, improved living standards and an ever increasing demand for raw materials and resources that inevitably impacted every aspect of society. The height of the second industrial revolution also saw unprecedented conflict and tension between developing countries that led to the deaths of so many people during the First World War. We are still recovering from its aftershocks.

But as far-reaching as the consequences of the second industrial revolution were, they paled in comparison to the long-term evolution and social upheaval caused by the first. In the nineteenth century, early industrialists made a fortune by extorting the working poor. The peasant populations that surrounded the burgeoning western metropolises flocked to the ‘big smokes’, looking for a better life. What greeted them was not a workers’ paradise but conditions that made them pine for the dilapidated peasant shacks back on a Baron’s estate. They suffered tremendous abuse, workplace fatalities were common, workplace-induced toxicity was guaranteed and child labour was rampant. The shock was so great that they awoke from their political slumber and united, spawning movements, workers’ collectives and eventually trade unions. For the first time, workers actively sought to stop practices that they previously had accepted as the norm. These unions fought hard to win the working conditions that my parents took for granted or at the very least expected to be present at any workplace they set foot in. By the 1970s reasonable pay and conditions were the norm and workers knew that they could rely on those conditions at every workplace. The lesson anyone interested in politics should take from this is simple: industrial revolutions are a social and political buzzsaw and their destructive ability to carve up the electoral landscape must be respected: they have ended political movements, spawned new ones, created nation states and enriched societies.

Let us look more closely at the UK, arguably the birthplace of the first two industrial revolutions. In the late nineteenth century the British Liberal Party was at its peak, its voting stocks bolstered by the franchise of the middle class, which gave voting rights to all citizens over the age of 21 and not just landowners. It grew to become the significant opposition to the Conservatives, by 1906 dominating the political landscape and even recruiting the likes of Winston Churchill as a young ‘rising star’. Within two decades they were a spent political force, relegated to minor party status by the blue-collar juggernaut. The Labour Party was possibly the first major political manifestation of the second industrial revolution and, after the First World War, hammered the final nail in the Liberal Party’s coffin by capturing the lion’s share of the expanded franchise.

So why are industrial revolutions so disruptive to the body politic? The answer is both obvious and complicated. Since the early 1900s most voters’ contract with politicians has been an agreement between the state and the citizen. For blue collar workers that contract with parties like UK Labour and the Australian Labor Party was very simple. It was exclusively economic. It did extend to education and health but the bedrock remained – workplace rights and conditions. When 1.3 million European migrants walked off the ships at the Williamstown docks, they were not just providing a much needed boost to Australia’s post-World War Two population. For Labor it was a welcome injection of votes. Still recovering from the brutal split of the 1950s, Labor was on its knees, struggling to even remain competitive. Within decades the new arrivals flooded the growth corridors around Melbourne as they sought out much needed industrial work. These employment opportunities were plentiful as manufacturing boomed within countries and cities that escaped the ravages of the Second World War. The evolution of mechanical automation, combined with human labour guaranteed massive productivity gains for companies in all sorts of heavy
industry. Manufacturing super cities were quickly formed. Detroit, Manchester, and Melbourne were the 1970s version of today’s Silicon Valley, offering secure jobs for a generation of workers. Like Silicon Valley, the children of the second industrial revolution were moving to where work and opportunity were plentiful. Young migrants working at the Ford motor company plant in Broadmeadows or Holden in Doveton were no different to the IT engineers working at Google today. They were the vanguard of a new industrial age. In Victoria, manufacturing became the main employer, the breadbasket of this state’s economy and it transformed the political landscape. The second industrial revolution had done its work. The blue collar class dominated not only the employment landscape but the ballot box, delivering Victorian Labor 24 years of government since 1982. During this period many within Victorian Labor’s ranks (mainly the middle class and the commentariat) have attempted to suggest this dominance was due to something else. A marriage between the tertiary educated middleclass and outer suburban industrialist. They were wrong. A glance at Melbourne’s electoral map over numerous elections illustrates the point. There were simply more seats situated within Melbourne’s manufacturing heartland – a combination of population and industrial growth.

By 2002, arguably Labor’s electoral peak, another seismic shift was occurring within the global economy. The third industrial revolution was in full swing and with it travelled the same buzzsaw-like effect on work and politics. Manufacturing was already in decline. Automation, adverse trade policies and poor investment in high tech manufacturing combined to consign this industry to second place behind finance services as the main employer in Victoria. While blue collar workers were being tossed from well-paying secure jobs, other occupations were born. Hundreds of these occupations now provide employment to millions in Victoria and across the developed world. Technology has not only changed the way we live but it has changed how we work. It has also changed the way some vote. The buzzsaw is again in play. Prior to the 1990s if you were a middle to high income earner, you were more likely working in some management role. Your occupation and interaction with employees and your professional circles partially steered you towards conservative politics. The same could be said about Victorians working in traditional blue collar jobs. Their politics was also shaped by their employment.

The technology-driven third industrial revolution has made the connection between income and politics almost redundant. On one end of the scale, middle to high income earners are no longer bound to conservative politics. A software engineer has as much earning capacity as a manager once did last century. Their politics are formed outside of work, within their social circles and online. On the other, technology has decimated traditional jobs and driven wages down. The political bond between blue collar workers and social democratic parties has weakened.

What does the death of one industrial revolution and the birth of another look like in Melbourne? How has this transformation changed this city’s politics? We should start with Melbourne’s much coveted inner suburbs. At the peak of the second industrial revolution these suburbs were the heartbeat of Victoria’s manufacturing industry. In 1922 the first of Brunswick’s many large clothing manufacturers opened. Prestige Hosiery evolved into a much larger factory and took on the name of Fletcher Jones in 1952. By the 1970s Brunswick was one of the main manufacturing hubs in Melbourne. It attracted post-war migrants from Italy and Greece and they soon made up 30% of the total population within the area. Within a decade protective tariffs were removed, jobs were lost and between 1980 and 1995 three quarters of Brunswick’s factories closed. The children of the second industrial revolution had no choice but to move where work could be found, along Melbourne’s industrial fringes. By 2016 manufacturing was practically dead in Brunswick and so too its once large blue collar working-class community.

This exodus was not just a simple case of Labor-voting blue collar workers leaving. Without the third industrial revolution a suburb like Brunswick would share sister city status with Youngstown. Youngstown’s collapse was compounded by the complete lack of economic rejuvenation. These small rust towns dotted up and down the Appalachian Mountains offered no incentive to the growing technological markets. These rust towns now settling along the populous east and west coasts of the United States. Much of Youngstown has been abandoned, its streets lined with either shuttered factories or homes. At its peak Youngstown’s population stood 170,000; only 64,000 residents remain. There are two constants for this town, depopulation and economic decline. Fortunately the same cannot be said about Melbourne’s inner urban landscape. Just as the last remnants of Melbourne’s manufacturing community were leaving suburbs like Brunswick, a new generation of employees were beginning to populate the once single-terrace worker’s cottages. Designers, artisans, information-based professionals and technologists slowly replaced textile and manufacturing workers. The transformation was stimulated by the technological revolution but government infrastructure investment also played a significant role in providing the future tech economy with a contusive environment to ’set up shop’. Melbourne’s underground loop, the City Link, the Western Ring Road and even the West Gate Bridge
all contributed to Melbourne’s transformation. These projects made it possible for twenty-first century industries that base themselves in Melbourne’s CBD to operate across the state and the globe. The emptied factories were taken over, rejuvenated and occupied by wealthier professionals, whilst the same can be said about the suburbs that housed them.

If you were looking at the world through the lens of the 1990s, Brunswick should have turned conservative. Replace that lens with one that is focused on the digital revolution and a whole new class reveals itself. Highly-educated, mobile professionals may arguably have the same earning capacity as the managers of the twentieth century but that’s where the similarities stop. This new class has grown up in a world where information is readily available and is less reliant on the mainstream media. It has shaped this new generation’s politics. The result? A suburb like Brunswick is now wealthier and more socially progressive. An obvious point but a phenomenon that up until recently was completely missed or ignored by the established parties.

As the Greens vote increased, Labor looked to its ‘90s campaign handbook. It treated this new class as if it were detached from the existing support base; progressives not happy at Labor’s social policy positions on refugees and the environment. It was a mistake and one we kept on repeating for over a decade. Like the British Liberal Party, Labor looked for solutions within itself, failing to grasp that part of the electoral landscape had simply moved from under our feet. A significant hindrance to Labor finally acknowledging this reality was the many within its ranks were born and raised within the same middle class, well-educated enclaves that spawned the knowledge class. The Greens voter was not around last century. They have far more in common with outer suburban and regional voters.

This time economic inequality has a regional focus, especially within developed western nations. Towns and cities trapped within the old economy are shrinking while new vibrant economic hubs boom, bestowing massive wealth on a very small group of knowledge workers. Combined with Sydney, Melbourne’s thriving inner urban economy is powering two-thirds of national GDP. Drive 40 km in any direction from Melbourne’s CBD and you will be confronted with a very different economic reality. GDP in regional Victoria fell by 1 percent in 2015-16, driven by a sharp drop in manufacturing, a trend evident since 2011. Some sections of outer suburban Melbourne are not faring any better. Forty percent of Melbourne’s economic growth emanates from within a 10km radius of Melbourne’s CBD, fuelled by the new economy.

It’s not all good news. No industrial revolution has ever graced this earth without producing hardship for the workforce and the current one is no different. The ‘gig economy’ is just one example of how new industries and professions have been created, without the sort of workplace regulations seen in older industries. Work is precarious and most young professionals can now expect to be employed in a dozen different occupations within the next 10 years. Most workers in the gig economy have no minimum wage, no paid sick leave, and no workplace benefits whatsoever. Nearly all operate as contractors and are at the whim of employers’ scheduling needs. The British sociologist Guy Standing defines them as the 3rd arm of the precariat; who until recently escaped the vagaries of automation and the digital economy. While they build their careers or studied hard, in just half a decade some young professionals have gone from enjoying a prosperous existence to looking to a future riddled with anxiety and uncertainty. In Melbourne and Sydney their problems are further compounded by a monstrous housing crisis. Precarious work, rental stress, and debt are the three pillars that now define a small but growing section of the new professional generation. They are still dwarfed by their much wealthier cousins and you only have to look at the recent Northcote by-election to see the political manifestation of the tension between the two groups.

The Greens vote was based on a more populous type of voter: highly skilled professionals, managers and owners who have all been accruing the majority of wealth generated by the new economy, compared to their poorer cousins; younger professionals and semi-skilled workers who are experiencing wage stagnation and economic insecurity. They are asset poor and now have far more in common with outer suburban and regional voters.

It is this collection of people that need Labor. The 3rd industrial revolution has sucked most of Labor’s constituency out of the inner urban parts of Melbourne but it is slowly creating a new class who require economic representation. Labor still has a role in Melbourne’s inner urban areas by representing the growing precariat living there but its political future ultimately lies in Melbourne’s growing outer suburbs and regions, where Labor’s real constituency resides: the children of the old economy, struggling to keep up with increasing living costs and new reality of wage stagnation and inequality. As for the Greens, they are here to stay and will become a significant political player. The Liberal Party should fear their rise as much as Labor.

Kosmos Samaras is Assistant Secretary of the Victorian ALP and JCRC Advisory Board Member.
Jennifer Rayner asks whether we care enough to stop it

The blue-collar decline

...If you get on the Landsborough Highway at Morven, about seven hours west of Brisbane, you can drive on straight blacktop for over a thousand kilometres through to Mt Isa with barely a traffic light to trouble you. The highway will take you through a Dorothea Mackellar poem of landscapes: the dust of drought-stricken Barcaldine, the startlingly lush floodplains of Cloncurry.

You won’t notice it as the red earth and vast sky slide by the car window, but you’ll also be taking a tour through the part of Australia that has been hardest hit by blue-collar job losses over the past decade. Between 2008 and 2017 the male participation rate in outback Queensland dropped by almost 19 percentage points, the biggest fall in the country. This means 5300 fewer men – about 20 per cent of the region’s 2008 male workforce – were in work or looking for a job last year than a decade earlier. From abattoirs and mines, farms, trucking firms and processing plants across the outback, jobs have quietly been disappearing, often in their hundreds. Across the region’s one-pub towns and stations stretching to the horizon, the jobs have gone and the men who used to fill them have stopped hoping for an alternative.

The collapse in male participation in outback Queensland is an extreme example of something that is happening right across the country. As a share of the population, fewer men are participating in work than ever before. Thirty per cent of men aged 15 and over are now neither in work nor looking for it, this at a time when Australia has passed a quarter-century of uninterrupted economic growth. Looking at which men are dropping out, and where, suggests there is now a serious disjuncture between the type of jobs on offer in our economy and the characteristics of the growing group of men who need one. The few thousand Adelaide automotive workers out of a job and the FIFOs grounded by the end of the mining construction boom are the high-profile face of this jobs black-hole. But there are hundreds of thousands more blue-collar men who will fall into it unless we start paying proper attention to this problem.

Over the past decade Queensland has shed 25,200 jobs from its agriculture, mining, manufacturing, utilities and construction sectors. South Australia has lost over 25,600 jobs in agriculture and manufacturing, primarily in regional and outer suburban areas. The fact that these losses were broadly offset by an increase in construction and utilities jobs in Adelaide would not be much comfort to the men of Leigh Creek, Port Augusta or Roxby Downs. Similarly, New South Wales has made significant gains in Sydney construction jobs – a plus for the workers there, but not much help to those affected by the shedding of over 46,300 primarily regional jobs in agriculture, manufacturing and utilities. Western Australia’s blue-collar workforce is so far holding up because the mining boom got started later there and the shift from the construction to production phase of several big mining projects is only now getting underway. But we just need to look at what’s happened in Queensland over the past few years to see where that state is heading: there are a huge number of further job losses coming. Worryingly too, Australia’s capital city construction boom has been slowing throughout 2017, and indicators like building approvals point to a further contraction in the next few years. Construction projects have so far soaked up a lot of the workers who’ve left other blue-collar sectors, but things will get far worse if this industry also stops hiring.

With our main male blue-collar industries shedding workers across the country, how well equipped are Australia’s fitters, sparkies, plumbers and storemen to find a new job if they lose the one they’ve got? Unfortunately, comparing the kind of jobs now on offer with the qualifications these men have suggests the answer is: not very. For over a decade now, the Commonwealth Department of Employment has been publishing regular data on the number of jobs advertised each month and the level of education required for each. This reveals a big fall in the share of jobs advertised requiring sub-diploma or high school qualifications, and
a matching rise in the demand for diploma and university degrees. Between 2006 and 2016 the share of jobs offered at the Certificate II and III level each month fell by 5 per cent, while the share of jobs available for people with only Year 12 qualifications or less declined by a massive 38 per cent. Over these same years there was a 17 per cent jump in the share of job vacancies requiring a university degree, and a 39 per cent increase in jobs available to people with Diploma or Advanced Diploma qualifications. As a result, a little under one in eight jobs advertised during 2016 were open to applicants with a Year 12 education or less, down from one in five in 2006. This wouldn’t be a problem if these changing shares were matched by a change in the distribution of educational attainment across our workforce. But while it’s true more Australians are going to university than ever before, over 34 per cent of people aged between 20 and 64 still do not have any post-school qualifications. That share is even higher among blue-collar workers: a 2014 study by the Australian Workforce Productivity Agency found 45.2 per cent of manufacturing workers have no qualifications beyond Year 12. Similarly, in 2015 the Australian Industry Group released a report indicating 40 per cent of current construction workers have no post-school education. It’s clear that the days when blokes with a little schooling but lots of practical smarts had plenty of options for good and secure work are gone. Today, men who may have decades of experience but no formal piece of paper are finding fewer and fewer jobs available to them.

Ask someone in a suit what they think about the loss of blue-collar jobs, and very often you’ll hear the same answer: bit of shame but not the end of the world because, oh look, there are so many new jobs out there in our fast-growing service sector. In some quarters of our capital cities, the loss of these jobs is even viewed as proof that Australia is making progress, becoming a more modern economy, moving beyond the smoke stacks and grime of our industrial past. Social Services Minister Christian Porter exemplified this casual disregard when, in late 2016, he told an Australian Council of Social Service forum: “The best possible estimates of employment growth show that in one area, that is care – disability care, aged care, child care – there’s going to be 115,000 jobs created over the next several years. So I just don’t put my hands up and say there aren’t enough jobs. I just don’t think that’s statistically the case.”

To be blunt, that is just bullshit. The idea that every late-forties auto worker who has downed tools at Holden can just head off to change dressings at their local aged-care home is as ridiculous as it is troublingly pervasive. The suggestion that the blue-collar men being displaced in their tens of thousands by technological and economic change can simply transfer into new jobs in entirely unrelated industries is either an expression of embarrassing ignorance or a conscious bait and switch. A small number of these men – the youngest, most adaptable, best educated – may well make that transition. But many more won’t: the 20-year veterans of production lines, migrants with stumbling English and regional residents of one-company towns. The most likely consequence of our current approach to blue-collar jobs is that more and more of these men will drop out of the workforce altogether, discarded and discouraged by an economy that no longer values them or their skills.

Paul Keating was once asked about the number of jobs that disappeared on his watch as he and Bob Hawke pursued ambitious reforms to open up Australia’s economy and modernise our industries. The interviewer asked him: “What would you say to the blue-collar workers who have seen their jobs lost in Australia? What do you say to them?” Keating answered with his signature pugnaciousness: “I say: what is your new job like? One of the 2.5 million created since the early 1980s. People have found better jobs. I mean, did we ever hurt anybody liberating them from the car assembly line? When they left the car assembly line and got a more interesting job in the economy, did we do them a disservice? Of course we didn’t.” From the distance of a quarter-century we now know that many of the men who lost their jobs never found a new one – interesting or otherwise. Tens of thousands left the workforce and never found their way back. Will the same thing happen to the men who are losing their jobs or being shut out in our fast-growing service sector?
out right from the start today? That will depend in large part on whether we’re prepared to step in.

Part of the answer lies in boosting the skills and capabilities of these workers; it is critically important to help current workers retrain and ensure future generations get a vocational education that meets the changing demands of blue-collar work, particularly through the integration of STEM skills and competencies. A far stronger focus is needed on maintaining existing jobs and growing new ones too; getting our national policy settings right on energy, access to finance, regional diversification and trade will all matter here. But none of this will happen if we keep treating the loss of blue-collar jobs as an inevitable by-product of economic change; if so many Australians continue to view these jobs as disposable and interchangeable with any other. It’s time to confront this view head-on. To say without qualification or ambiguity that blue-collar industries, the jobs they create and the blokes who work in them can, and should, have a place in our future economy. Because the reality is we can’t keep building a fair and broadly prosperous Australia without them.

Dr Jennifer Rayner has worked as an economic policy adviser to federal and territory Labor. Her new book *Blue Collar Frayed: What’s Not Working for Australian Men* will be published by Black Inc. in 2018.

1  Author’s own calculations, 12-monthly averages as at August 2017. Australian Bureau of Statistics, 2017, 6291.0.55.001 Labour Force, Australia, Detailed; Table 16b. Labour force status by Labour market region (ASGS) and Sex, Annual averages of the previous 12 months

2  Author’s own calculations, 12-monthly averages to August 2017. Australian Bureau of Statistics, 2017, 6291.0.55.003 Labour Force, Australia, Detailed; Table 05. Employed persons by State, Territory and Industry division of main job (ANZSIC)


4  Australian Bureau of Statistics, 2016, 62270DO025_201605 Education and Work, Australia, May 2016; Table 25 Non-school qualification: Persons aged 20–64 years


7  As quoted in Gareth Hutchens, ‘Christian Porter: Australia has no jobs shortage as care sector is booming’, The Guardian, 17 November 2016


The great gas rip off

Misha Zelinsky reports on how we pay more for our gas than our customers

YOU don’t have to be Bill Gates to understand the golden law of business: don’t pay more for your own product than you charge prospective customers. Yet that is exactly what Australians are doing with our natural gas. We have engineered a policy failure so spectacular that we are paying more for our own gas than our Asian customers. Yes, our customers get our gas cheaper than we do. No doubt you will have noticed your skyrocketing electricity and gas bills.

This same situation on an industrial scale is threatening our entire manufacturing sector and putting hundreds of thousands of people at risk of losing their jobs within the next two years. We have traded away a national competitive advantage for very little in return. How on earth could this happen? A bit of history is required. Until recently, our gas was limited to Australia because we are a large island nation and gas is difficult to export. Locally-produced gas, selling for around $3 a gigajoule, gave Australia an enormous advantage in energy intensive industries such as chemicals, aluminium, steel, and glass. It gave us an abundant, reliable, and relatively low-emission option to replace coal as we moved toward an electricity grid powered by renewables. And it allowed us to heat our homes affordably in winter and fire up summer barbecues.
New technology has recently allowed for LNG gas to be cooled and shipped in vast quantities. This innovation unleashed a $200 billion wave of investment as multinational gas companies raced to capitalise on the global gas boom. These investments would see Australia become the world’s biggest exporter of gas, overtaking Qatar. The Australian Workers Union welcomed this investment in a new export industry because of the jobs and national wealth it would create. But we warned, all the way back in 2012, that without export controls in place, exposing Australia’s expanding reach into global markets would soon create the world’s highest gas prices.

If multinationals could suddenly sell Australian gas to Japan for $15 a gigajoule, why would they be inclined to sell it to Australians for any less? We commissioned modeling from BIS Shrapnel showing that if nothing was done about unrestricted gas exports, 235,000 Aussies would find themselves out of work as 1 in 5 manufacturers closed their gates due to soaring gas prices. Yet prices rose higher than projected. Hundreds of thousands of jobs are threatened. The crisis we warned about for half a decade is now here. Australian manufacturers who have built businesses on gas at $3 per gigajoule are being offered take-it-or-leave-it contracts for $20 a gigajoule.

Presently, a proposal exists from a gas company to build a new gas import facility in Victoria. You read it right: the solution to our gas export problem is to start importing it! Meanwhile, Turnbull typically blamed the states by not bringing more CSG projects online. The obvious problem with this supply-side argument is that we’ve got plenty of gas already. The trouble lies with where it is going. Indeed, Australian gas production currently sits at record levels. And even if new CSG production took place across the states it wouldn’t hit the market before 2021 – long after most of Australia’s manufacturing sector has closed its doors. So, while our PM dithers and plays political games, major gas exporters continue to ship two-thirds of our gas overseas. They are laughing all the way to the bank as they gouge Australian families and businesses.

A federal government content to ignore our warnings in past years has reluctantly grasped the scale of the problem. But Malcolm Turnbull has characteristically talked a big game, while failing to actually stand up to the big oil and gas companies and demand a better gas deal on behalf of Australians. Earlier this year our PM showed great ‘courage’ by politely asking gas companies to give Aussies a little more of our own gas at a fairer price. When that ‘please sir, may I have some more’ strategy somehow failed to produce results, he switched to letting these companies design their own weak export controls, but never sought to apply them. Malcolm, thy name is Coward.

What Australia needs is what we should have had from the get go – a hard cap on exports. We need a gas reservation policy that says you can export Australian gas and make billions, but only after you’ve looked after Australians first. Gas export controls would allow Australia to have a thriving manufacturing sector and be the world’s leading gas exporter at the same time. This is a sensible win-win policy that has allowed the US to revitalise its manufacturing sector, while making a fortune from their shale oil and gas boom.

Implementing such a policy will cause multinational gas exporters to cry ‘sovereign risk.’ They will claim they made investment decisions based on the existing policy settings. But what about everyone else’s risk? What about the manufacturers who invested in Australia because they didn’t think any government would be so foolish as to allow energy prices to quadruple overnight? What about Australian workers who thought their income was safe, because the companies they worked for were profitable? What about Australian families who didn’t count on their energy bills doubling? It shouldn’t be difficult for our agile and innovative PM to work out what the national interest demands in this instance. Whose side are you on, Malcolm?

What Australia needs is what we should have had from the get go – a hard cap on exports. We need a gas reservation policy that says you can export Australian gas and make billions, but only after you’ve looked after Australians first. Gas export controls would allow Australia to have a thriving manufacturing sector and be the world’s leading gas exporter at the same time. This is a sensible win-win policy that has allowed the US to revitalise its manufacturing sector, while making a fortune from their shale oil and gas boom.

Misha Zelinsky is Assistant National Secretary of the AWU and member of the JCRC Committee of Management.
Friends of the John Curtin Research Centre gathered for a celebration of its first year.
Friends of the John Curtin Research Centre gathered for a celebration of its first year.
When General Motor’s Australian subsidiary, Holden, shut down its assembly plant last month, Australia’s 100-year-old tradition of producing passenger cars came to a halt. The other automotive manufacturer with an Australian production facility, Toyota, had ceased operations several weeks earlier. The closures provoked a spate of commentary, locally and around the world, much of intended to demonstrate that the decisions made by Holden and Toyota were inevitable. Typical was the verdict of Peter Campbell and Jamie Smyth, in London’s Financial Times (21/10/2017). The events in Australia, they argued, were a warning to auto manufacturers in developed nations that they will increasingly lose out to competitors in low-wage countries.

It is the kind of analysis that appeals to those whose predilection for neoliberal economics makes them prefer one-size-fits-all explanations. But it ignores what actually happened in Australia.

The striking thing about the end of car making in Australia was its gratuitous character – it did not have to happen. Both companies wanted to continue production. Holden had plans for $1 billion in new investment to develop two new models, and Toyota’s Australian subsidiary was a profitable business with a thriving export market. The closures were not a matter of economic necessity, they were politically orchestrated. The car makers chose to leave Australia because the Coalition government goaded them to leave. Every country with an automotive industry assists it in some way, because the industry is a source of hi-tech, advanced manufacturing capabilities that flow over into the wider economy. In Australia that assistance was modest by global standards. On a per capita basis, Australian taxpayers contributed $A17.40 a year to the industry, about what they would pay for a football or movie ticket. The level of public assistance to the automotive industries in other high-wage countries, such as the US, the UK, Germany and Sweden, is much greater.

And, with differences of emphasis, it is generally accepted across the political mainstream in those countries. But in Australia the Coalition parties made clear even before they took office in 2013 that they wanted a hefty cut in assistance to automotive manufacturing. At least, that is the way they explained their aims in opposition. In government, the coalition did indeed make cuts, but it became apparent that their real agenda went further.

Ideologues in the new government wanted to withdraw support for the industry altogether. Their vision of Australia’s future was of a commodity exporter seeking favourable trade agreements for its minerals and agricultural products. Manufacturing and the automotive industry in particular, did not fit into that narrow frame. Holden became the immediate target, because the company was in negotiations with the government for an increase in assistance to offset the competitive disadvantage caused by the then very high Australian dollar. Within weeks of the 2013 election, Treasurer Joe Hockey, announced: “We are not running down the street chasing an individual car maker with a blank cheque made out by the Australian taxpayer.”

Shortly after, Prime Minister Tony Abbott, insisted: “There’s not going to be any extra money over and above the generous support the taxpayers have been giving the motor industry for a long time.” Then Hockey and the Deputy Prime Minister, Warren Truss, used question time in Parliament to launch a blistering attack on Holden. Hockey said it was time for the company “to come clean” with the Australian people – “Either you’re here or you’re not”. Truss, who was acting Prime Minister at the time, said: “… today I have written to the general manager of Holden, Mr Devereux, asking General Motors, to make an immediate statement clarifying their intentions in this country”. The real message was not a request for clarification. It was an implied threat, and General Motors understood it as such. The company’s management in Detroit instructed Devereux to announce the
end of production, setting in motion the sequence of events that reached its dismal conclusion last month. Once Holden announced it was going, Toyota was left with no choice but to follow suit. Without at least two motor vehicle producers, there would not be enough demand for component makers in the supply chain to sustain the industry.

The dire consequence projected by economic modellers at the University of Adelaide – a two per cent cut to Australia’s GDP – may not come to pass. But there will be social and economic disruption. Thousands of jobs will be at risk as the effect of the closures ripples across the economy. The welfare bill alone will cost Australian taxpayers far more than it would have cost them to continue assistance to the industry. And all this has happened because of political chicanery. It did not happen because auto workers in Thailand earn less than auto workers in Australia. Nor did it happen because the lowering of tariff barriers has given Australia the most fragmented and highly competitive motor vehicle market in the world. Those things did not make life easy for Australia’s car makers. But they did not make the production of passenger cars unsustainable. Only the attitude of the Australian government did that. In no other developed nation has a government demonstrated so little understanding of what an automotive industry contributes to the national economy. And in no other developed nation has a government exhibited such a combination of malice and incompetence in dealing with the industry.

Contrast the attitude of the Australian government to its automotive industry with that of another conservative leader, UK Prime Minister Theresa May. Last week she chaired a meeting of the executives from the UK and European automotive sectors, at which they discussed the challenges and priorities for the industry. They talked about the global transition to low-emission vehicles, and developments in manufacturing technologies, including the internet of things. May spoke of the success of the UK’s automotive industry, which is now the third-largest in Europe. Only a few decades ago, at the end of the Thatcher era, some people had predicted the demise of British automotive manufacturing with the same glee that neoliberal commentators have hailed the end of car making in Australia. But it did not happen in the UK, because both sides of British politics recognised the importance of the industry in the wider economy and accepted the need to support it.

The same political challenge now confronts Australia. In the increasingly competitive global automotive market described in Campbell and Smyth’s Financial Times report, the advantage will not automatically go to manufacturers who pay the lowest wages. The advantage will go to manufacturers who have the design skills and technological capabilities to identify and satisfy the market’s changing demands. Australia’s automotive industry has those skills and capabilities, which is why the former motor vehicle producers are retaining design, engineering and test facilities in the country. Production of passenger cars has ceased, but Australia’s automotive industry is not dead. It still has the potential to remain at the cutting edge of global advances in technology and product design, including electrification, light-weighting, gaseous fuels and telematics. The choices that Australian governments make now will determine whether those capabilities are retained. Those choices will not only be about the kind of economy and the kinds of manufacturing Australia engages in. They will be choices about the kind of society Australia wants to be. Australians have always been proud of their country’s strong democratic and egalitarian traditions. Those traditions have been sustained by economic opportunity – by the provision of high-wage, high-skill jobs. Only a strong advanced manufacturing sector will provide those jobs, and the way to build that strength is to consolidate and enhance the skills and capabilities of the automotive industry.

Senator Kim Carr was Industry Minister in the last federal Labor government. He is Shadow Minister for Innovation, Industry, Science and Research and a member of the Advisory Board of the John Curtin Research Centre.
Geelong’s economy was among the hardest hit by the collapse of the automotive manufacturing industry in Australia. A National Institute of Economic and Industry Research study predicted that up to 25,246 workers in and around Geelong would end up unemployed thanks to Ford, Holden and Toyota taking Treasurer Joe Hockey up on his 2013 dare to leave Australia.

When a whole manufacturing sector ups and leaves a country, it’s not just the workers in the plants who lose their jobs – it hits the people who make parts, who sell the workers their lunch, and the people who make the safety equipment used in the plant. It hits the whole economy.

So thanks to the Abbott/Turnbull government failing to support the industry, thousands of families around Geelong struggle to make ends meet because mum or dad no longer has a job.

Over the years, Australians subsidised the car making industry to the tune of billions of dollars, and arguably we should have continued to do so. The subsidies not only provided jobs, but supported the skills base of our manufacturing sector more generally. But what the Liberal government did cannot be undone; if anyone suggests that the auto manufacturers might one day return we can tell ’em, in the immortal words of Darryl Kerrigan, they’re dreaming.

But there is a way to get all of those jobs back – construction jobs, skilled maintenance jobs, customer service jobs, and more. Disney has twice held talks with state governments about opening a theme park in Australia, once in Victoria and once in NSW. The talks fell over, largely because Disney wanted a large government co-contribution towards building the parks.

For those who’ve never been to a Disney Park, don’t make the mistake of thinking they’re anything like the travesties of theme parks we see blight the landscape of the Gold Coast. That’s like claiming an equivalence between vintage French champagne and a bottle of Passion Pop. Yes, a Disney Park costs a lot to build and typically take a number of years to build. But the government contribution Disney wanted was almost certainly less than the federal government was giving the auto manufacturers over a similar period. We are missing out.

Disneyland in California for example has 20,000 permanent employees. That’s not counting people working in the surrounding hotels, restaurants, and shops, or the people who provide transport, themed dinner parties, bus trips to check out Hollywood, and pizza deliveries.

Those 25,000 jobs and more could be back on the table, and Geelong is the ideal location for the newest Disney Park, and the Disney hotels that come as a package with the parks.

There’s an international airport, which could provide national and international tourists with direct flights to Disney. There’s a train line from Melbourne – which could be upgraded to electric at a relatively modest cost – and Geelong is a similar distance from Melbourne as Disneyland Paris is from the centre of Paris, or Disneyland California is from downtown L.A. There’s relatively cheap land. There’s the Great Ocean Road – which is one of the most beautiful natural attractions in the world, but which currently inspires very little tourist spending despite quite high numbers of visitors. And crucially, Geelong is a port city. Why does this matter? Because one of the fastest growing brands (and reportedly the most profitable, although Disney does not publish a breakdown between the resorts and the cruise lines) in the Disney family is the Disney Cruise Line. The negotiations between the NSW government and Disney were centred around Disney Cruise Line wanting to add an Australian port to their itineraries – they already have cruises in Europe, the Caribbean and the US and it has been reported that they are actively looking to expand into the Asia-Pacific region. They currently operate four ships, plans are underway for three new ships that will join the fleet in 2021, 2022, and 2023 and in July this year.
a seventh ship was announced. Geelong is already a port of call for a small number of cruise ships, and there is capacity to build a dedicated terminal, which research commissioned by the Geelong Council says could attract 25 luxury cruise ships a year. Becoming a lucrative stop on the Disney Cruise Line itineraries would attract a legion of dedicated international fans wishing to experience the unique attractions an Australian Disney Park potentially offers.

Ignore the short-sighted claims of those who claim Victoria doesn’t get enough “visitor nights” to support its own Disney Park. They lack vision. Anaheim was an orange grove, with no tourism at all before Walt Disney had the dream of building a park where young and old could enjoy entertainment together. Australians are the biggest group of international visitors to Disneyland California, outnumbered only by the locals. They would no doubt flock to a local park that offered the same Disney magic but without the inconvenience of the 14-hour flight from the east coast of Australia to LA, and the associated costs of international travel. A Disney Cruise Line facility and a better utilised Avalon Airport would bring a flood of interstate and international visitors to spend money in Geelong, in the Disney Parks and beyond, supporting many more jobs throughout the tourism sector. The Disney hotels that surround all of the existing Disney Parks globally would substantially increase the hotel capacity in the area.

It’s a good time for Disney too. Their latest international park, in Shanghai, is complete and no further expansions have been announced or even rumoured. Each international park has unique components – in addition to the main Disneyland Park Paris has Disney Studios, for example, with an area themed to Ratatouille, the Disney movie set in Paris, and Tokyo has Disney Sea, with different themed waterfront areas. Australian culture has wide appeal with Americans, and Disney Pixar has the wildly successful animated film Finding Nemo, and its sequel, Finding Dory that are set in Australia and could form the basis of a uniquely Australian second Park.

It’s a proposal that would certainly require visionary thinking from a Federal Government – as well as commitment from the Victorian Government and other stakeholders – but it would provide the basis for a resurgence of jobs around the Geelong region, a revitalisation of the tourism industry, and of course a great deal of joy for Australian families!

Rebekka Power is Deputy Chair of the JCRC.
Getting to know...

John Curtin Research Centre
Secretary, Luke Walladge

Why did you join the ALP?

I can remember joining the ALP in the lead up to the 1998 Federal election; Pauline Hanson was on the rise, public education was being undermined by the Howard Government and Peter Reith was attacking the union movement, particularly on the docks. I wanted to be part of pushing back against all those forces, so I called my local Labor campaign, joined the party and offered to help. True to form I was given a map and 500 leaflets and told to start letterboxing.

Tell us about your working life.

I started out on the floor of a Coles ‘distribution centre’, packing pallets of goods to be sent to supermarkets. It was a 6am start every day! As an SDA member and Labor Party man, after a while I got to know the local Labor MP - and former Shoppies official – Jack Snelling, who recommended me for a job in a nearby electorate office. I spent most of the next 15 years since as an adviser, speechwriter and campaign director for Labor MPs, candidates and affiliated unions. I’ve worked for WA Premiers Geoff Gallop and Alan Carpenter, for Victorian Premier Dan Andrews during his time as Opposition Leader, for the late Fiona Richardson and with maybe half a dozen other Labor people including Michael Danby and Senator Kimberley Kitching. I’ve also worked at the SDA and at the HWU. These days I run Western Industrial Strategies, a communications and government relations firm based in Perth and Melbourne.

What attracted you to the JCRC?

Our Director, Dr Nick Dyrenfurth, puts it well when he says that all political victories are won by winning the battle of ideas. Where you win the arguments, the numbers and the votes follow sooner or later. Labor needs to be in the business of big ideas and strong arguments if we are to win and be worthy of national leadership – the JCRC is a crucial part of leading the national debate and winning that battle of ideas for Labor.
Any advice for young Laborites?

Don’t ever get sucked into valuing the process over principle. In the end, the people who can make the best case for Labor are the ones who succeed. Honest disagreement is good. Be bold, take some chances, engage in the contest of ideas and never be afraid to be wrong.

What is the one big policy problem facing Australia and the solution?

It’s hard to pick just one; the policy indolence and simple-minded reactionary politics of this Liberal Government has meant the next Labor administration – led by Bill Shorten! – will have a huge raft of national issues to deal with from Day One.

Ultimately though we need to address our national debt. Working people pay almost all tax, directly or indirectly, and we need to fairly yet resolutely attack a drain on the resources of every single Australian. We cannot pay for better schools or hospitals, fairer old age pensions or increased social programs if we do not address our Australia’s credit card. The Liberals cannot do it – in 1983 they left the Hawke Government a massive debt that we paid down, and we paid it by making sure the measures were fair and equitable. We have to summon that spirit again.

What do you like to get up to outside of work?

I do opinion columns for a number of publications as well as long-form essay writing. Away from the desk I enjoy running, live music and being a dad to my three-year-old daughter Sharmon... although sitting through two hours of ‘My Little Pony: The Movie’ made me lose the will to live.

Tell our readers an unusual fact about yourself

I’m an adopted person; I was given up for adoption at birth and adopted by my parents when I was 3 or 4 months old. Having never met or made contact with my biological mother or father, when my daughter was born it was the first time I’d ever met anyone who is “related” to me.
In June 2016 a coalition of the Tory shires and the ex-industrial working class took England and so the United Kingdom out of the European Union. A referendum is an exercise in popular sovereignty to settle an important constitutional issue. The vote to leave not only overturned Parliament’s role as sovereign law maker, it revealed a deepening faultline between England’s metropolitan cities and governing class, and the national culture of its towns and villages.

Culture and values are dividing the country and Labour’s electoral coalition has been coming apart as the economic interests and identities of two antagonistic cultures diverge. The referendum vote is a symptom of a longer term political trend. The metropolitan areas in which the professional middle class live voted strongly to remain in the EU. They are moving toward Labour and away from the Conservatives. In working class areas, majorities voted to leave the EU. The trend in political support has been towards the Conservatives and away from Labour.

Geographically and demographically the UK is structured around the places that are connected to the global economy and their low skill, low wage and insecure peripheries which are not. The classes used to share the same economy if not an equal share of it. But not now.

Class and economy

The economic winners of globalisation are the asset rich elites, and the metropolitan professional class of creative, media, knowledge and finance workers, and opinion formers. They are concentrated in London, and the Thames corridor, and to lesser degrees in the large cities and university towns. The places they live have undergone rapid change as commercial and residential property markets have created zones of class exclusion. Young people and lower income workers are either driven out or restricted to social housing and a dysfunctional private rented sector. The expanding service, retail and hospitality sectors of these areas employ low paid migrant labour to service the elites. The old established working class has either moved away or what remains of it is excluded from the productive forces of the new economy.

These metropolitan places are described as multicultural, but this is a misnomer. Beyond superficial encounters and work situations different ethnic groups live separate, parallel lives. Not only are there deep inequalities in income, assets, and life chances, there are also different and sometimes incompatible cultures and ways of life.

The professional managerial class escaped the first wave of globalisation and technological innovation in the 1980s and 1990s. But their adult children have not and they face a global competition in graduate talent as well as the redundancy of professional tasks by automation. Unlike their parents their graduate status no longer guarantees access to a traditional middle class lifestyle and security. Consequently the status hierarchies of positional consumption amongst younger generations are changing as experiential and cultural goods, and educational opportunities gain in value. As the digital and knowledge driven economy grow these goods are intensifying inequalities between classes and ethnic groups.

This cultural class power amongst the young is contradicted by their exclusion from the housing market, their high levels of student debt, and the intensity of competition for decent jobs. Their combination of cultural power and economic insecurity has led them to become an animating if not numerical force behind the leadership of Jeremy Corbyn.

The rising political influence of the professional middle class has coincided with the decline of the industrial working class and its institutions of solidarity. Old industrial jobs have been exported to low wage economies or lost through new technologies. New jobs have been either low paid and low skilled or for the professional classes. Single industry towns across England have lost their economic base. Immigration has led to segregated communities, and these threaten social cohesion. Under globalisation the returns to capital reached an all-time high, while returns to labour fell to an all-time low. According
to Britain’s Trade Union Congress real wages suffered a ten per cent fall between 2007 and 2015. The social stability won by the working class during the industrial era has gone for many.

The class cultural faultlines that divide the economic winners and losers are distinct. There is little social or cultural traffic between the two. Social mobility has fallen. Marriages, friendships and social occasions across this class cultural divide have become rarer. Education and housing reproduce class inequalities and ethnic segregation. The prestigious universities and the national media, and Britain’s cultural and political institutions are dominated by the professional managerial class and reproduce the class hierarchies of cultural distinction.

Labour should be the national organisation capable of reaching across these class cultural divisions. But its membership has become increasingly concentrated amongst the higher educated and in the globally connected places of the economic winners. In the last decade, the party has become more socially liberal and culturally exclusive.

The metropolitan professional managerial class is now the dominant influence in the party. With its growth through Higher Education in the 1970s its members gravitated toward the Labour Party. They brought with them the liberationist ethic of the 1960s that valued personal freedom, self-fulfilment and a cosmopolitan view of the world. New Labour inherited a progressive politics from Bill Clinton’s New Democrats which married cosmopolitan liberalism with liberal market economics. Amongst the party membership politics began to shift away from the labour interest toward identity egalitarianism. Traditional Labour patriotism and internationalism gave way to a cosmopolitan worldview. Under the leadership of Jeremy Corbyn, this worldview has become ascendant, linked to an old fashioned tax and spend statism.

Cosmopolitan Liberalism

The liberal philosopher John Rawls developed his theory of justice and equality in the context of a singular, bounded society. In Political Liberalism (1993) he updated his theory to take account of the way markets, immigration and the global flows of information and culture were breaking down the distinction between national societies. The virtue of justice needed to transcend borders. Human rights are universal and not relative to national political systems.

The metropolitan middle class has been the principal carrier of this cosmopolitan liberal worldview. Cosmopolitans care about individuals they do not personally know. Our obligations to others should not be confined to fellow national citizens, but extended to include humanity in general. Cosmopolitans distrust the nation state, traditional cultures and inherited identities because they usurp this community with their particularist loyalties. Parochialism with its focus on local life, like patriotism, encourages xenophobia. Valuing the past is a retreat into nostalgia. In our globalising world, barriers in all forms need to be broken down.

Cosmopolitanism views itself as the high point of human progress but in truth it is the product of a highly mobile western elite culture. Despite its celebration of multi-ethnic society, this culture is ethnically homogenous and despite its claim to being universal it has the characteristics of provincialism. As the Irish poet Patrick Kavanagh describes it: ‘the provincial has no mind of his own, he does not trust what his eyes see until he has heard what the great metropolis towards which his eyes are ever turned has to say on any subject’. Under the influence of this elite culture progressive politics has become deracinated. It can offer no account of what holds society together but reduces it to a collection of cultureless, socially unattached individuals. It has lost its sense of history and it has ended up without a place in the world to locate itself.

The Ancient Greeks used the term zoe to signify the simple living body and bios which is forms of life that are independent of necessity and so constitute freedom. They emphasised that human beings are born into relationships and institutions, and so always situated. Without a place in the world, Cosmopolitan
Liberalism has given rise to an identity politics that dispenses with biology and anthropology. Human nature is infinitely elastic and malleable. The pursuit of liberation rejects the constraints of inherited institutions, the limitations of the simple living body and the burden of mortality. But the pursuit of liberation from the human condition without recognition of its countervailing necessity engenders a perpetual anxiety about the authenticity of the self. Cosmopolitanism while expressing its commitment to everyone in general, edits out family, society, history, the constraints of living with others, and so commits itself to no-one and nothing in particular. It can never develop beyond its own provincialism.

In its state of anomie, cosmopolitanism is not capable of conducting a politics of interests. Instead its progressive politics adopts positions of moral judgment which it does not recognise as products of its own class interests. With its mixture of individualism, righteousness, and moral relativism, it has been a primary cause of the rise of the populist right. Right wing populism recognises the importance of a common shared culture. It values place and understands that those who feel their inherited culture is under threat will make sacrifices to safeguard it. It calls on them to stand up for their culture and identity - against the cosmopolitan liberalisation of the elites, against the disruption of immigration, and against what it argues is the threat of Islam. It shifts into fascism when it mobilises support around a Manichean choice between a struggle for ethnic supremacy or the collapse of Western civilization. As Europe discovered in the Twentieth Century ethnic absolutism is the gateway to hell.

Across Europe, social democratic parties imbued with cosmopolitan liberalism have proved to be incapable of recouping electoral support lost to right wing populism and fascism. The contempt held by progressive politics for nostalgia is an attack on mourning and so on a creative resolution to the loss of belonging felt by so many. The dismissal of parochialism signals its hostility toward the task of dwelling in the world and learning the social virtues that govern our everyday lives. It offers nothing to be loyal to, nothing to love, and nowhere to call home. Its espousal of solidarity has become as meaningless as its disembodied values of equality, justice, the earth, humanity. Like Rawls’ original theory it only makes sense by removing the individual from the messy, contingent realities of his or her everyday life. With its emphasis on the individual, the state and the market, progressive politics has abandoned reciprocity, family, society, culture - what holds people together - to the right.

Labour’s Future

The Labour Party was set up in 1900 to represent organised labour in response to the failure of the Liberal Party to represent its interests. With the rise of industrial working class political power, Labour eclipsed the Liberal Party. Today, with the collapse of its power and the growth of the middle class, this shift from Liberal to Labour appears to be going into reverse.

The class cultural faultlines revealed by the Brexit vote suggest a return to a nineteenth century politics dominated by Whigs and Tories. Labour’s dominant interest group, the metropolitan based professional class, is Whiggish in its support for Europe, immigration, cosmopolitanism and a politics of altruism based on distributitional justice. In contrast to this urban, progressive culture, is a small-c conservative country of the ex-industrial working classes and the mainstream middle class of the towns and the shire counties. This coalition is motivated by a defence of national sovereignty, a valuing of a national culture and history, and the practice of reciprocity, the give and take which binds individuals into society.

Caught between the two is a minority multi-ethnic population. Some ethnic groups are integrating and thriving. Others are struggling and segregated. A third group lives precariously outside the mainstream. Immigration and the place of belonging of this heterogenous population is a main source of the white class cultural conflict dividing the country and Labour’s coalition.

Labour has lost its role as the party of the labour interest. It needs to recognise the limitations of its progressive politics and how they are failing to represent the depth and breadth of human experience. We need a new social and democratic public philosophy in order to form a broad coalition of social groups; a labour interest that that can build around itself a sense of national community. Cosmopolitan Liberalism is too class bound, divisive and superficial to resolve cultural and ethnic conflict. Labour needs a democratic politics of the common good to build dialogue and relationships between estranged interests. It is a practice of bridge building across class and ethnic divides. The bridges create the new politics and out of their building will come new political leaders and new coalitions. Belonging is the commitment to this task, and it is where we should begin.

Jonathan Rutherford is an academic and was a member of the British Labour independent inquiry into why the party lost the 2015 general election. He also worked on the party’s policy review 2012-14.

Extensive coverage in the Fairfax Press, Guardian Australia, Australian Financial Review and The Australian of Labor leader Bill Shorten’s address to our inaugural gala dinner.

Warmest congratulations to our Advisory Board members, the Hon. Peter Malinauskus MLC and the Hon. Philip Dalidakis MLC. Peter was promoted to South Australian Minister for Health, Mental Health and Substance Abuse, having served as Police and Emergency Services Minister since 2016, while Philip’s ministerial responsibilities in the Victorian parliament now include Trade & Investment, Innovation & the Digital Economy and Small Business.

In October Advisory Board member the Hon. Senator Kim Carr announced that if elected a Shorten federal Labor government would create a new $1bn Australian manufacturing future fund.

Our Advisory Board member Lord Maurice Glasman argued in The Guardian that the UK House of Lords is in need of reform by way of vocational peerages including cleaners, nurses and other trades.

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‘The nation looked to Labor, and it did not look in vain.’

- John Curtin, 26 July 1943

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