

# Godfathers of decline take us on the road to nowhere

[\*The Australian\*](#)

Editorial

August 06, 2015

**Global disruption is unsettling for workers, companies and governments. Relentless economic forces, largely brought on by technological innovation and capital flows, are reshaping jobs, industries and the wealth of nations. Australia is not immune from political challenges and budgetary pressure, although we have had a buffer because of past policy design and luck. But our inheritance and time for contemplating the next move are running out. We need leadership and proper perspective on the issues but our political system is not up to the challenge. The nation's politicians are being sidetracked by failed ideas, false debates and third-order issues. We need advocates for growth through leaps in productivity to show the way, not mendicants and class warriors obsessed with redistribution.**

The godfather of this discredited path is Labor's Wayne Swan, treasurer under Kevin Rudd and Julia Gillard. His world view is clouded by the grievances of the few rather than the aspirations and progress of all. Little wonder when Mr Swan was custodian he was estranged from wealth creators. For almost six years in that crucial job, his focus was on expanding the state, taxing the mining industry and slicing off a shrinking economic pie for select groups. He was the antithesis of his Labor predecessor Paul Keating, who had an affinity with the enterprise class. Mr Keating knew workers would prosper only through jobs in industries that, like the country itself, could earn their way in the world.

Swanism, with its 1960s nostalgia and forlorn Bruce Springsteen rust-belt soundtrack, infects Labor and its chroniclers. Mr Swan's former speechwriter Dennis Glover is doing the rounds of ABC microphones to promote his book *An Economy is Not a Society*. Yet what kind of society can we hope to have with a broken economy? Glover wants to return Australia to its "glory days", to quote a line he wrote for Mr Swan via *The Boss*. He yearns of Doveton, a working-class suburb outside Dandenong in the 50s and 60s, its factories pumping out canned food and cars in staid protectionist bliss, while elsewhere consumers are forced to buy overpriced, shoddy white goods, clothing and footwear. That industrial museum, as Mr Keating aptly described it, could not last — except in the addled prescriptions of Glover, Swan and co. They want their Stubbies, singlets and thongs again made in Godzone.

Anti-economic rhetoric is bubbling away inside Bill Shorten's ALP, whose recent national conference passed bizarre resolutions against free trade. ACTU secretary Dave Oliver exists in an industrial time warp, mimicking Labor's scaremongering about Work Choices whenever workplace reform is on the agenda. A mild Productivity Commission report has Mr Oliver digging in against mooted changes to penalty rates that destroy jobs in hospitality. It's a pity the labour movement is not led by Martin Ferguson, who castigated Mr Oliver for this antipathy to flexibility. As with Bob Hawke and Bill Kelty, Mr Ferguson's ultimate goals when he ran the ACTU were economic growth and more jobs. He pursued productivity trade-

offs for higher wages, leading to higher profits, competitiveness and living standards — a bigger, more nourishing pie.

Defeatism pervades the “fairness first” crowd in discussions about the jobs of the future. Mr Ferguson, chairman of Tourism Accommodation Australia, argues there are well-paid, noble jobs in services. Like the ACTU leader’s fixation with “making things”, others fear technology is destroying jobs. Such Luddites, and we saw one on the ABC’s Q&A the other night, think we are destined for a leisure society. Oh, what will we do all day? Capitalism is endlessly creative, as are humans. If we no longer employ as many people in factories, let’s celebrate their liberation from the assembly line. The digital revolution is opening up new services, from transport to home delivery of bespoke meals. Such nonsense about jobs flourishes because it goes unchallenged by the media and in the political arena. Leadership is required to stop this anti-economic contagion.

As John Howard told Labor’s Chris Bowen in the latter’s new book, *The Money Men*, the job of treasurer is to daily make the case for change, to be one of the government’s most effective communicators. We naturally think of Mr Keating and Peter Costello. Yet Joe Hockey is often unseen or unheard for days. In opposition he made a speech in London about ending the age of entitlement but expected others to follow through. No voter interested in the big issues of the day looks to the Treasurer for illumination, such is the void in economic advocacy. Tony Abbott also has not fired up the electorate about rapid economic growth, innovation and productivity. The Prime Minister, like Labor’s dizzy nostalgists, is prone to grand gestures to prop up sinking industries, always with one eye on the electoral map. One truth remains: without economic regeneration and growth there’ll be a smaller pie to share, little chance of fairness and a society in decline.