

Australian Political Science Association Conference: 30 September – 2 October 2013, Perth, WA

Title: Reinventing Labor: the South Australian Rann government (2002-2011)

Abstract

This paper addresses two related questions. First, it seeks to understand the main ideological dimensions of South Australia's state Labor government – led by Premier Mike Rann from 2002 until 2011. This was, at times, a trailblazing and distinctive Labor government at the state level in Australia, and is under-researched. Indeed, research on Labor politics in Australia tends to focus on the federal, rather than the state level. The Rann government was a prominent part of what former Western Australia Premier Geoff Gallop called an era of 'strategic government' (Gallop 2007). The second question is to evaluate how far the Rann government can be understood as a variant of the 'third way' - or the label that such enthusiasts now prefer to call it - the 'new social democracy' (Gamble and Wright 1999; Giddens 2003). The Rann government was influenced by its state Labor predecessors but it also introduced substantive policy transfer and inspiration from British New Labour. The Rann government perhaps offers an enterprising example of a sub-national variant of a 'modernised' social democracy. This paper seeks to explore how far and useful the NSD paradigm is for categorising and understanding one variant of a 'modernised' Labor government.

Author: Dr Rob Manwaring

Institution: Flinders University of South Australia

Introduction

The first aim of this paper is to map the ideological contours of Mike Rann's State Labor government of South Australia (2002-2011). This was, at times, a distinctive and trailblazing government at the state level in Australia, and remains under researched. More commonly debates about Labor's identity tend to concentrate on the federal level. Second, and more broadly, the paper examines the degree to which the term 'third way' (or 'new social democracy' (NSD)) is a useful descriptor for the Rann Labor government.

The paper proceeds in the following way. First, the key themes of the 'third way' are outlined. Second, the paper focusses on two broad policy agendas of the Rann Government, its economic and social inclusion policy agendas. For the sake of brevity, a definitive account of the Rann government cannot be offered, but these two policy areas do provide key insights into its ideological contours. The policy efforts of the Rann government are also compared with the two main previous Labor governments in South Australia – the Dunstan and Bannon governments. As explored below, whilst there are limits in how usefully we can compare the Rann government with these two predecessors, some comparison can help identify where the Rann government fits within the Labour tradition. Finally, the paper questions how far the 'new social democracy' paradigm provides suitable explanatory power for this case of 'modernised' social democracy at a sub-national level.

Defining the New Social Democracy

Herbert Morrison, deputy Labour leader and grandfather of Peter Mandelson, once replied impatiently to the question, 'What is socialism?' that it was 'What the Labour Government does'. Perhaps it is too soon to answer the question, 'What is modernising social democracy?' with the reply that it is 'What the New Labour Government does'. But given the wide variety of social democratic programmes that history offers us, and the complexities revealed ... it may turn out to be as concise an answer as can be offered. (Ludlam and Smith 2004, p. 14)

The New Social Democracy is a set of ideas most closely associated with the practice of the British New Labour government, under the leadership of Tony Blair. The renewal of British Labour under Neil Kinnock, John Smith and Tony Blair is a story which has been told elsewhere (Driver and Martell 1998, 2006; Fielding 2003; Gamble 2007; Hassan 2007; Ludlam and Smith 2001, 2004), but on election in 1997, Tony Blair promised that it would govern as 'New Labour', and would offer a 'new politics'. At least rhetorically, this variant of British Labour promised a distinctive break from what had come before. The New Labour government is sometimes called a 'third way' government, and these ideas are most closely associated with Anthony Giddens (1998, 2000, 2001, 2002, 2003), and to a lesser extent John Gray (1996) (see also Pierson 2001).

In effect, the 'third way' and the 'new social democracy' are interchangeable terms used to describe the modernisation and reinvention of labour and social democratic parties. Enthusiasts of the third way now prefer the term the new social democracy, as they argue that the debate on the label has been a distraction (see Giddens 2003). The third way label tends to be used mostly in conjunction with New Labour,

and for this reason, the term NSD is preferred as it remains a useful descriptor for a range of modernising Labour and social democratic governments.

Giddens is widely seen as the most high profile proponent of the NSD (Bevir 2005). Bevir (2005, p.41) argues, convincingly, that Giddens should not be seen as the inventor of the NSD:

Perhaps the high profile of Giddens' theories acts merely as a retrospective systematisation and legitimisation of ideas and policies that New Labour already had developed from other sources.

Giddens outlines his belief in the influence that his early work had on the Third Way:

Well, first of all there was a massive response across the world to this Third Way book – there was a response you would not believe that any academic book could get....Second, I think it contributed a general framework for discussion, rather than influencing particular policies. (A Giddens, 2007, interview with author, 10 December)

One of the central criticisms charged at the NSD is that it is a vague and opaque political project (Giddens 1998). Giddens (1998, p. 8) cites one critic who comments that the term has become 'so wide as that it is more like a political parking lot than a highway to anywhere in particular'. A useful interpretation of the NSD is provided by White (1998, p. 4) who argues that it is a 'relatively general normative framework ... which can be rendered determinate and concrete in a number of ways'. However, White is adamant that it 'does not add up to anything like a complete political philosophy in itself'. This is a view shared by Beech (2006). Others see the Third Way as a 'rhetorically defined space' (Kelly 2003).

Pierson and Castles (2002, p. 685) see it 'less as a programme and rather more as an omnibus term for a particular reorientation of parties of the centre-left in the face of a series of substantial changes in their external environment'. The NSD can be seen as an attempt to provide a new framework which (proponents argue) avoids the 'mistakes' of the traditional Left responses and the unresponsiveness of state socialism. One of the main factors that shaped the emergence of the NSD is the 'growing disaffection with mainstream politics and parties' (Pierson & Castles 2002, p. 684).

Fitzpatrick (2003) and Callinicos (2001) make an important link between the apparently 'thin' ideology of the NSD and the New Labour project. Fitzpatrick's (2003, p. 13) analysis of the NSD political program examines it 'in what arguably remains its purest form, that of Tony Blair's post-1994 Labour Party and the ideas which have been deployed to both motivate and justify its approach'. Giddens however argues that, at times, New Labour deviated from the NSD project. Cuperus, Duffek and Kandel (2001) identify 'multiple third ways'. Giddens (2003) and Merkel (2001) also argue that the NSD has taken different forms across Europe. Australia, on the whole tends to be sidelined from these debates; except mainly by Australian scholars. There is a growing literature which notes that the Hawke-Keating Labor government was a key source of inspiration and policy transfer for the New Labour project (See O'Reilly, 2007, Pierson and Castles, 2002). The key issue here is that to

fully understand the NSD in practice we need to examine cases of modernising Labor to get a clearer sense of how Labour politics is adapting to neo-liberal settings.

Barrientos and Powell (2004) identify three main elements of the NSD, and focus on a political party's discourse, values, and its policy means. In this schema, a centre-left party may not use the language of the NSD, but its policies may broadly fit within the paradigm – and vice versa. The Rann government did not use either the third way or NSD labels, but it may be that it characterises much of its agenda. MacIntyre (2006) notes some parallels between the Rann and Blair governments, and this paper extends this research.

The Main Themes of the NSD

White (1998) identifies the main themes of the NSD, basing his analysis on Giddens' work. The main themes of the NSD emphasise 'real opportunity', 'civic responsibility' and 'community'. In terms of the role of government, White (1998, pp. 3–6) identifies five ideas: the state should be guarantor (not necessarily direct provider) of opportunity goods; the state needs to be receptive to forms of 'mutualism'; new thinking was required on public finances; social policy should be focussed on employment; and finally a focus on asset-based egalitarianism. The Rann government focused on a number of these themes (with the exception of mutualism).

Barrientos and Powell (2004) provide a useful, if stylised, version of the distinctions between the Third Way, 'Old' Social democracy and the Neo-liberal approach to politics. (See Table 1).

Table 1: Dimensions of the Third Way

Dimension	Old Social democracy	Third Way	Neo-Liberal
Discourse	Rights Equity Market failure	Rights <i>and</i> responsibilities Equity <i>and</i> efficiency Market <i>and</i> state failure	Responsibilities Efficiency State failure
Values	Equality of outcome Security	Inclusion Positive welfare	Equality of opportunity Insecurity
Policy Goals	Equality of outcome Full employment	Minimum opportunities Employability	Equality of opportunity Low inflation
Policy means	Rights State State finance and delivery Security Hierarchy High tax and spend High services and benefits High cash redistribution	Conditionality Civil society/market State/private finance and delivery Flexicurity Network Pragmatic tax to invest High services and low benefits High asset redistribution	Responsibilities Market/civil society Private/state finance and delivery Insecurity Market Low tax and spend Low services and benefits Low redistribution Selectivity

	Universalism High wages	Pragmatic mix of universalism and selectivity National Minimum wage/tax credits	Low wages
--	----------------------------	---	-----------

Source: Adapted from Barrientos and Powell, 2004, p.15

It is not the focus of this paper to evaluate the NSD in full, and moreover different writers stress different elements and dimensions to the NSD. However, it is clear that these themes are strongly identifiable in the writings of NSD enthusiasts in Britain and Australia and include Tony Blair (1998), Mark Latham (2001) and Geoff Gallop (2001). For NSD enthusiasts the historical divide between the Left and the Right is no longer the central division in society. Gamble and Wright (1999, p. 3) consolidate this analysis of the NSD. They argue that the main sectional interest for social democratic political parties was the Labour movement, but ‘this era, even in Britain, is now ending. Party leaders are no longer the representatives of a unified, disciplined labour movement, but brokers in an increasingly pluralistic and diverse politics’. This leads the proponents of the NSD to argue that NSD parties need to represent and lead from the ‘radical centre’ (Fitzpatrick 2003). Rudd prefers the term ‘reforming centre’ (Manne 2008, p. 25).

For the purposes of this paper, drawing upon the ideas of Blair, Giddens and Latham, the following main themes of the NSD narrative are identified:

- a ‘new politics’ that transcends the left–right divide
- an ensuring, enabling state that ‘steers’, not ‘rows’
- the value of ‘community’ in the new political settlement
- a moving away from public ownership (means) as a vehicle for achieving greater social cohesion (ends)
- an emphasis on equality of opportunity rather than outcomes
- a democratic renewal to enhance the relationship between state and citizen
- a seeking of new institutional forms such as networks.
- a citizen-centred policy making

Before we examine the Rann Labor government as a variant of the NSD it is worth highlighting a few issues and criticisms of the NSD framework. First, a caveat should be made about the utility of the NSD as a concept to adequately describe a ‘new’ form of Labour governments. If Cuperus et al. (2001) see ‘multiple third ways’, then given such a wide diversity of its forms, it can be hard to see where one variant begins and another ends. If all European social democratic and labour governments are ‘third way’ then it remains unclear how far we can adequately describe differences between them all. The risk is that the NSD label caricatures and overly reduces complex varieties of social democratic and labour politics. Indeed, the Barrientos and Powell schema (table 1) tends to amalgamate elements of both labourism and social democracy under the ‘old social democracy’ label. However, the NSD is still a useful prism for examining how far ‘modernised’ Labor in Australia has reconfigured and reset its policy aims. For critics of the NSD/third way, it becomes a debate over whether there is a break within the Labour tradition (Maddox 1989; Fielding 2003; Driver and Martell 1998). In Australia, there is a heated debate about the degree to which the Hawke-Keating governments broke with the Labor

tradition (see Johnson 2011), and to some extent this debate has not been fully applied at the state level.

With the main themes of the NSD outlined, it is useful to highlight some of the main criticisms. Giddens (2000) has responded directly to some of the main charges. Fitzpatrick's (2003) provides a useful catalogue of the range of challenges thrown at the door of the NSD. Often, the criticisms are aimed at New Labour in particular – which was seen as the most visible brand of the NSD in action. Briefly, these include:

- The NSD policy focus on 'community' is too vague and undifferentiated. New Labour flirted with forms of communitarian thinking, and Fitzpatrick (2003, p. 22) argues that because New Labour aims to be compatible with global capitalism, the brand of communitarianism in its policy-making tends to be authoritarian and moralistic rather than reflexive and heterogeneous.
- It elevates the principle of meritocracy without paying attention to its deficiencies. The NSD fails to remove 'the structures that distribute power, wealth and capital unevenly' (Fitzpatrick 2003, p. 21).
- The focus on equality of opportunity lacks bite, and that a renewal of social democracy also requires some equalisation of outcomes. Shaw considers New Labour's commitment to equality of opportunity itself has been thin, despite some redistribution (Shaw, 2007), p. 202).
- The NSD has a one-sided view of reciprocity – it tends to *decentralise responsibility* while *centralising power* upon those who already hold it' (Fitzpatrick 2003, p. 22). Responsibilities tend to be directed at those from lower social economic groups.

The key issue is that the NSD does present itself as a useful descriptor for a new variant of labour and social democratic politics; and on its own terms, there is merit in using this to identify the contours of other attempts to reinvent social democracy.

The Rann Labor government (2002-2011)

Mike Rann led the Labor party to an unexpected victory at the 2002 state election. In his first term, he oversaw a minority government, with independent Peter Lewis accepting the role as Speaker in exchange for a constitutional convention. Labor had been out of office since 1993. Rann went onto to win a 'Rannslide' at the 2006 election with 32 seats over the Liberals 15 seats – the heaviest loss experienced by the Liberals in SA electoral history. Rann then went on to win the 2010 election with a 2 seat victory, and narrowly losing the popular vote. Rann was eventually forced from office in October 2011 by party and trade union leaders – handing the reigns to Jay Weatherill earlier than he wished. As Beech (2008) has described of New Labour – this was a period of the 'politics of dominance' with the Liberals in disarray and scarred by enduring in-fighting in its leadership ranks.

In part, the record of the Rann government can be compared with the two other major periods of Labor rule in the post war period in South Australia. With a two-year break (1969-1970), Don Dunstan lead one of the most reformist and ground breaking Labor governments in Australian political history (Parkin and Patience 1981). From 1967-1979, the so-called 'Dunstan decade' was a high watermark for a reformist

social democratic government, with a well catalogued series of world firsts, and Australian 'firsts' (Spoehr 2000). The Dunstan government, alongside the far briefer Whitlam federal era was a highly activist government which legislated on a wide range of progressive social policy issues including women's rights, gay rights, Aboriginal Land rights, consumer protection policy and a long standing legacy in other areas of public policy.

The other significant period of Labor rule was the less illustrious 'Bannon decade' (Parkin and Patience 1992). John Bannon led the party from 1982-1992, with a more mixed record in office. The Bannon decade is most remembered for the collapse of the State-owned Bank in 1992 due to a series of poor investment and debt strategies. Mike Rann served both Dunstan and Bannon as press secretary and witnessed up close both eras of Labor rule. Indeed, Rann's focus on media relations earned him the nickname 'King of Spin' (Manning 2005) – and he has spoken publicly about the range of media demands that neither his predecessors have faced. Here, we see some commonality with New Labour, with a modern Labor government taking a pro-active approach in its strategic communications to deal with the 24 hours news cycle, and also the advent of digital media.

Yet, there are limits to which the Rann government can usefully be compared with either the Dunstan or Bannon decades. In both cases, there were very different economic and social contexts; and there is also some acknowledgement that state governments have far less power than they used to – a point made by Mike Rann (Rann 2012a). Ultimately, the Bannon and Dunstan governments may give clues to understanding the Rann era, but they only give an incomplete picture.

Economic Policy

In his resignation speech as Premier to the House of Representatives, departing Premier Mike Rann reflected upon his near-ten year period of rule in South Australia:

...Our collective mission was to turn this state around – for South Australia to become a leader again...Our strategy was to demonstrate that we could be a Labor government was financially responsible, pro-business, pro-growth and most of all, pro-jobs, but at the same time, we wanted to be a leader in social justice...and thirdly, to be a national and global leader in the environment...(South Australia, House of Assembly, 2011, p.5607).

Historically, South Australia has always lagged the other states and territories on a range of economic indicators, with the exception of Tasmania. Its population tends to be older, and poorer. Low wages, however, were offset by policy options designed to keep the cost of living cheaper – an economic view instigated by the long rule of Liberal Premier Thomas Playford.

A further caveat also has to be added when considering the Rann government's economic policy. The economic health of the state is fundamentally linked to the national economy. The blessing for Rann was that the long federal rule of John Howard (1996 – 2007) saw a sustained period of economic growth for Australia. On a range of economic indices, during the Rann era, the State's economy grew, unemployment was relatively low, and during the latter part of the 2000s the unemployment rate was among the lowest in Australia (South Australia's Strategic

Plan Audit Committee 2010). This was remarkable given that the economic recessions in the 1980 and 1990s had hit South Australia disproportionately harder than the other states. How far this relatively positive story can be attributed to the Rann government, however, remains a far more open question – a problem that commentators on the Bannon and Dunstan eras also faced (Davis and McLean 1981; Scott, 1992). Despite overseeing economic and jobs growth, there is evidence that economic disadvantage remains entrenched in key parts of South Australia, in addition to a substantial increase in part time and casual employment (South Australia's Strategic Plan Audit Committee 2010).

Rann, drawing hard lessons from the Bannon era, repeatedly claimed he was 'pro-business'. Rann was highly activist in seeking to attract investment and capital to South Australia. The overall economic strategy was to be 'pro-business' and pro economic growth. A key economic goal of the government was to maintain the State's AAA credit rating, which it managed for much of its time in Office. In his first term, Rann and his treasurer Kevin Foley promised 'an effective and safe administration' (*Adelaide Advertiser*, 20 March 2006).

Rann invited businessman Robert de Crespigny to lead an Economic Development Board (EDB) in order to inform and legitimise its policies for economic growth. De Crespigny had links with the Australian Liberals through his Chairmanship of the market research company Textor Crosby. There was an early economic summit (modelled on the Hawke 'Accord' Summits) which yielded a state wide strategic plan (latterly known as South Australia's Strategic Plan - SASP)¹. De Crespigny was also a member of ExComm – the Executive Committee of Cabinet. Overall, the approach was to be pro-business, consensual, and actively court the private sector. Given the poor state of the State's finances this might have been prudent. For Rann, the focus on economic growth and the low credit rating was designed to stimulate the economy and from that jobs would flow. At various times, local trade unions were unhappy with demands for wage restraint, and there were episodes of industrial action by teachers in particular.

Overall, it is difficult to directly credit the Rann government for the generally strong growth of the state during his period of office. On a number of significant local issues however, there is some claim to credit the efforts of Labor, such as its active policy to attract defence industries, and a subsequent warship contract. Post GFC, the State's economy struggled, and the Labor government had hoped that an expansion of the Olympic Dam mining site by BHP Billiton would help further fuel the State's economy. BHP postponed the expansion, and the new Labor government is struggling to adjust its policy settings. By 2012, there was some unwinding of the economic gains, and the State has had its credit rating downgraded.

Throughout the Rann era, some critics argued that Labor was unnecessarily wedded to the AAA credit rating, or at least its economic benefits were over-stated (Spoehr & Burgan 2011). That said, arguably the Rann/Foley approach does fit with some

¹¹ It is worth noting a crucial difference between Hawke's Summits and the EDB summit. The former brokered a key agreement between the ALP and the unions – a signifier of a more labourist approach. The Rann/EDB version was more diffuse and attendance more pluralised – suggesting a move away from the Labourist tradition.

aspects of a Keynesian framework which advocates stimulus in times of economic recession, but some fiscal restraint in boom times, in preparation for the next cyclical downturn. However, whilst Rann argues he was 'pro-jobs', there is a case that Labor's primary focus was economic growth and maintaining the AAA credit rating. Labor's hope was that jobs would 'trickle down' or flow from the new investment. Moreover, we see a shift away from the goal of full employment (although neither Dunstan nor Bannon ever pursued this directly) towards greater 'employability', particularly with a range of skills policies. Finally, it is worth noting that Rann Labor was fully wedded to the use of Public Private Partnerships (PPPs) as the key driver for investment in public infrastructure, notably the new Royal Adelaide Hospital. In many respects, there are clear parallels with New Labour. Yet, it is worth bearing in mind that Rann pledged a limit to privatisation of the State electricity grid at the 2002 election, which indicates some economic and ideational distance between his government and New Labour.

A key difference between Rann and Dunstan is that the latter was a far more publicly trenchant critic of neo-liberalism. In Dunstan's essays for the *Adelaide Review* there is a much more strident critique of neo-liberalism than can be detected in Rann's public pronouncements (Spoehr, 2000). In a series of speeches Rann delivered at the end of his premiership, there is little critique of neo-liberalism (Rann, 2012c, Rann, 2012b, Rann, 2011a, Rann, 2011b). This reflects changing times, and a capitulation that modernised Labor has to make the best of a 'globalised' economy; and though Rann might claim his social inclusion agenda acted as a buffer to the worst excesses of the capitalist economy.

Ultimately the verdict on the Dunstan era was that its economic policies were at best mixed (Davis and McLean, 1981, p.47). In the early 1970s the economy declined, but did bounce back quickly. Dunstan's legacy was in social policy. However, it should be noted that Dunstan was an advocate for forms of industrial democracy – albeit without any significant legacy in this regard. However, this suggests that Dunstan's view of social democracy implies a much more interventionist role of the state in challenging neo-liberal settings, rather than Rann and Foley, who sought to use the state to try and secure capital investment.

John Bannon faced two of the worst recessions in Australian political history, and the verdict on his economic policy is equally sanguine (Scott 1991). Parkin argues that Bannon took an approach of 'integrity through restraint', but this was inadequate to deal with the collapse of the state bank. In the same collection, co-editor Allan Patience takes a far more dismal view of the era (Patience 1992). In an interview with the author, Mike Rann acknowledged that the main lesson from his time as an advisor to John Bannon government was to give due importance to economic policies (Mike Rann, telephone interview with author, 4 March 2013). Broadly speaking, Rann's economic agenda loosely fits within a NSD context, although it does find some precedent with previous regimes. Arguably, Rann's Labor more readily embraces the 'globalisation' discourse, and Labor were assiduous in courting business. Rann and Foley, at least publicly, were far less critical of the role of business and capital than their predecessors. This suggests some rightward shift in matters of economics; even if the state's overall policy clout is limited.

Social Inclusion

Mike Rann cites Don Dunstan as an inspiration, and dedicated his first 100 days in office to the former Premier. In an interview with the author, Rann was highly praiseworthy of Dunstan's legacy on social policy; but also made the point that Dunstan was misunderstood. Dunstan, for Rann, was also a pragmatist and also saw limited merit in remaining ideologically pure but powerless in opposition (Rann 2011a). Rann argues:

...Don Dunstan's message for Labour was that we had to be the party of the future not the past...so his persistent and insistent message to us was that we had to look forward and be relevant to the times (Mike Rann, telephone interview with author, 4 March 2013).

In many respects it is highly unlikely any South Australian leader's social legacy could compare to Dunstan's trailblazing efforts. Rann, like Dunstan, saw South Australia as an ideal 'social laboratory' (Rann 2011a). Rann also looked directly to New Labour for policy inspiration. Rann visited and met Tony Blair, and introduced a version of New Labour's 'social exclusion unit' to Adelaide. Institutionally, the Social Inclusion Unit (SIU) was a statutory board, headed by Catholic Priest Monsignor David Cappo. Linked to this initiative was Rann's innovative 'Thinkers in Residence' program, which saw a range of influential experts come to Adelaide to test out social policy ideas and other agendas. Notably, Geoff Mulgan and John McTernan – both linked to New Labour². A key policy agenda of SIU was tackling street homelessness, and the thinker Rosanne Haggerty was brought in to develop a response to these issues. Her 'Street to Home' agenda drew upon on her work which had had some success in New York. Street homelessness did decrease in South Australia, although invariably there were concerns that more homeless people were in unsatisfactory temporary accommodation.

The SIU also had a strong focus on mental health, with further investment by the Rann (and also Federal) governments. Under Cappo's oversight, the 'Stepping Up' reform agenda was developed, and there is some evidence to show good progress in this regard (Rann 2012b).

Overall, the social inclusion agenda has received good attention. Rann argues that the success of the initiative led the federal government headed by then leader Kevin Rudd to develop a social inclusion strategy (a key outcome following the national 'Australia 2020 Summit' held in Canberra in 2008). However, there has been some criticism of Rann's social inclusion agenda (Wilson 2009). Wilson argues that it entails a particular moral view of people as active citizens and moral agents who need help to 'help themselves'. The criticism here, as was directed at New Labour, is that its reformulation of a traditional social democratic 'social justice agenda' is moralistic and focussed on individuals rather than tackling more structural forms of inequality. Overall, the criticism is that its focus is on socially disadvantaged individuals, rather than reducing overall forms of inequality or offering a more systemic response to 'civilising capital'.

² Geoff Mulgan was former Director of the Prime Minister's Strategy Unit for Tony Blair's; John McTernan was Tony Blair's political secretary.

The Rann government had little direct interest in a politics of redistribution. It certainly lacked the taxation instruments available to a national government to pursue this further, such as New Labour's use of tax credits. Instead, its social inclusion agenda was focussed on targeting vulnerable individuals. The first iteration of the SASP, first released in 2004, included a target on 'economic disadvantage'. This target was subsequently revised as the initial indicator was seen as not being sufficiently measureable. However, while the SASP never explicitly states its policy priorities, it remains clear that this target is a lesser policy goal than others, such as the target on economic growth or the credit rating. Indeed, the South Australian Council of Social Service (SACOSS) was unhappy with this target on economic disadvantage and lobbied (unsuccessfully) for a greater focus on poverty.

Finally, it is also worth noting that the Rann government had a different relationship with the community services sector than with the business community. In an interview with the author, Mike Rann identified 'vested interests' within the wider 'welfare community' (Mike Rann, telephone interview with the author, 4 March 2013); in part because of a perception that the community services sector viewed the role of Capps and the SIU as a threat to its interests. Rann placed a strong value on his friendship with Capps and the SIU agenda. There is a striking difference here between an assiduous courting of the private sector and a more distant relationship with parts of the community sector - parts of which felt that they were struggling to gain access and influence.

Ideological Contours of the Rann Government

How, then, might we characterise the ideological contours of the Rann Labor government? In what sense can we identify it as a *Labor* government? Organisationally, the main trade unions remain affiliated to the party, and its bloc vote plays a key role at State Conferences. Indeed, union leader Peter Malinauskas was a key player in ejecting Rann as party leader. Beyond this we can identify and map key aspects of a 'New Social Democracy'.

In part, the difficulty in pinning down key characteristics of the Labor politics of the Rann government is that Australian Labor politics tend to eschew grand labels. Paul Keating famously said, 'we didn't call what we were doing the 'third way', we called it the only way' (O'Reilly 2007). Similarly when asked by the author, former Premier Rann resisted applying a label to his government, preferring to cite influences from Dunstan, Hawke and also Blair. The public discourse of the Rann government gives little clue to its links with the NSD, but as Barrientos and Powell (2004) suggest, through its values, policy goals and means we can identify linkages.

The Rann government took its cues from its leader, and interestingly Mike Rann was not affiliated to any faction with the party – and indeed this probably explains his longevity as party leader. Rann has been described a policy bower bird – taking policies wherever he finds them regardless of context (Anderson 2004). In office, Rann sought 'expert' advice, through his Thinkers program, rather than draw directly upon the intellectual traditions of social democracy and labourism. Here, we see parallels with Kevin Rudd's views that the left and right-wing labels are a 'political straitjacket' (Rudd 2008). Rann argues:

So what I did essentially was move to the left and right simultaneously in order to occupy the centre ground so we moved to the left on issues such as social inclusion - which would never have been done by a Liberal government – moving right was obviously a strong line on law and order and also a very strong line on being pro-business in order to get jobs going (Mike Rann, telephone interview with author, 4 March 2013).

This is a classic formula with clear parallels with New Labour. Indeed, Giddens (1998, p.36-47) has elaborated on how proponents of the NSD need to build a policy framework on policy issues traditionally claimed as 'natural' for conservatives. In this regard, Mike Rann and his government, like New Labour, took populist and hard line stances on a range of criminal justice issues (see Manning 2005). Famously, Treasurer Kevin Foley claimed a "rack 'em, pack 'em and stack 'em approach" to the prison population. It was unsurprising that that Thinker in Residence US Judge Peggy Hora could be viewed as one of the least successful 'thinkers' with her restorative justice agenda.

In common with other forms of the NSD, there was a strong emphasis on consensus politics. As a minority government in its first term, Rann was assiduous in bringing in Independents, and also a National MP Karlene Maywald into Cabinet. Former nationals MP Peter Blacker was also a key player in communicating with regions on issues relating to the SASP³. The Liberal opposition struggled to deal with how successful Rann navigated these relationships. At the 2006 'Rannslide', Rann honoured a commitment to keep two of the independents in cabinet. Here again, we see a form of NSD which takes a much more consensual approach to politics. Giddens terms this the 'state without enemies' (Giddens, 1998, p.77). Observers of the NSD, such as Mouffe (2000), criticise New Labour on precisely these terms. Mouffe (2000) argues that New Labour advocated a 'politics without adversary', ignoring distinctly different and opposing interests between capital and labour. This is further evidence that the Rann government distanced itself from left-wing social democracy (Manning 1992, p13).

Former Premier Rann identified two main principles to his brand of Labor politics:

...People will say 'you were rightwing on law and order' or what have you, but in fact...ultimately being Labor is being on the side of opportunity and security. Opportunity and security are the two defining things for me are what the Labor party stands for always...so they are enduring things, but by their very nature opportunity and security change (Telephone interview with author, 4 March 2013).

On the latter, as opposition leader he attended 149 out of 150 community 'Labor listens' events (again, another British Labour idea), and argues that he received a very strong message that many people in working class suburbs wanted to feel a greater sense of security in their homes and communities. Again, this links with both Giddens and Blair's need to reframe criminal justice as a NSD issue. It is instructive to compare Rann's record on Indigenous issues with Don Dunstan's. One of Rann's most cited achievements is that there are now 25 police officers in the remote APY

³ There are parallels here with Gordon Brown's GOATS – 'government of all talents', with prominent conservatives or outsiders leading policy areas.

Lands, whereas there used to be none. In contrast, Dunstan's ground-breaking record on Indigenous policy was on issues such as land rights legislation. There is a case that Rann could address 'security' in less crude and populist ways than it ultimately did. Indeed, his government's anti-bikie's legislation was deemed unconstitutional.

In addition, Rann spoke passionately with the author about 'opportunity'. Talking of his own working class roots in South London, Rann argued that he shared some better understanding of the problems faced by working class people than some of his colleagues. Rann's view of 'opportunity' has some link with the NSD focus on 'equality of opportunity'. But unlike social democrats such as Whitlam or Dunstan, the focus is less on reducing overall inequality, but rather a targeted approach to individuals (not groups) on low incomes and in vulnerable situations. Without wishing to underplay some of the successes of the social inclusion strategy, when coupled with the government's pro-business economic strategy; there is some weakening with parts of the Labor tradition which seeks a stronger emphasis on tackling inequality. There are parallels with Shaw's (2007) criticism of New Labour. Moreover, the 2010 progress report on Rann's strategic plan shows that in tackling economic disadvantage in South Australia, the Rann Labor government made little impact when compared to the national picture (South Australia's Strategic Plan Audit Committee 2010, p.107). The gap between South Australia's overall levels of inequality and the national levels remained constant by the time Rann left office.

Finally, does the Rann Labor government break with the Labor tradition? Without identifying itself as a Third way or NSD government, it shares a number (but not all) of its leading characteristics. It is unclear if the Rann government is a distinct break – partly because the NSD label itself lacks clear distinction from other labour 'traditions'. In the South Australian context, critics might argue that it was the Bannon government, rather than Rann's, which made the strongest break from the labour tradition. As Blewitt (2012, p.108) notes:

Whitlam and Dunstan used the term 'social democracy' or frequently its robust companion, 'democratic socialism', but gave it a far more precise articulation; by contrast their successors have shied away from such terminology.

Arguably, Rann shares with Bannon a far less critical view of what Blewitt calls the 'cultural deformations of market capitalism' (2012, p.108). Yet, it is not as if the Rann government is insensitive to the vagaries of global capital, such as its response to the closure of the Mitsubishi plant at Tonlsey Park. The Rann government took a consensual approach to accommodate the needs of capital, and through the EDB, it sought to appease the forces and institutions of employers and capital. Unlike say, Hawke's Accord, which Manning (1992) sees as further evidence of a form of 'labourism'; the Rann government did not seek to institutionalise the trade unions into their wider governance structures. The EDB summit did not privilege trade unions over other interest groups. The Rann social inclusion agenda, whilst seeking to improve the lives of vulnerable individuals, offers no structural criticism about wider capitalist structures.

The Rann government focus on 'jobs growth' might well share some ground with previous forms of 'labourism', but there is a much greater acceptance of neo-liberal

postulates than any previous regime, which suggests some move towards more NSD thinking. The commitment to the AAA credit rating was a key badge of honour for Kevin Foley's fiscal conservatism. Likewise, the firm line of resisting electricity privatisation was for pragmatic, electoral reasons, rather than any expression of ideology (the NSW case shows how poisonous it can be as an electoral issue (Cavalier 2010)). The Rann government's greater reliance on PPPs also shows a greater shift to NSD thinking. In Australia, it is striking that the use of PPPs was led by Jeff Kennett's overtly neo-liberal Victorian government.

This may well be a 'pragmatic' course for a modern Labor government; but it does suggest both a reinvention of Labour politics and some weakening to removing structural forms of inequality. For critics of the NSD such as Fitzpatrick (2003) and Shaw (2007), the case of South Australia might well be further evidence that the 'modernisation' of Labor politics requires a dilution of an attachment to equality, with its greater focus on 'opportunity'. Rann, and no doubt, Blair might rightfully claim that this is a winning electoral formula. Finally, the NSD frame itself gives useful insights into this case, but it struggles to fully capture the nuanced and regionally-specific approach of a government which has far more limited policy levers than its national counterparts.

References

- Anderson, G 2004, 'Oregon on the Torrens', *The Adelaide Review*, 12 November 2004.
- Barrientos, A. & M Powell 2004, 'The Route map of the Third Way', in S Hale, W Leggett & L Martell, L (eds.), *The Third Way and Beyond: Criticisms, Futures, Alternatives*. Manchester University Press, Manchester.
- Beech, M 2006, *The Political Philosophy of New Labour*, Tauris Academic Studies, London.
- Beech, M 2008, 'New Labour and the Politics of Dominance', in M Beech & S Lee (eds.), *Ten years of New Labour*, Palgrave MacMillan, Basingstoke.
- Bevir, M 2005, *New Labour: A critique*, Routledge, London.
- Blair, T 1998, *The Third Way: New Politics for the New Century*, The Fabian Society, London.
- Blewitt, N 2012, 'Don Dunstan and the Social Democratic Moment', in R Foster & P Sendziuk (eds.), *Turning Points: Chapters in South Australian History*, Wakefield Press, Adelaide.
- Callinicos, A 2001, *Against the Third Way*, Polity Press, Cambridge.
- Cavalier, R 2010, *Power Crisis: The Self-Destruction of a State Labor Party*, Cambridge University Press, Cambridge.
- Cuperus, R, Duffek, K & J Kandel (eds.) 2001, *Multiple Third Ways: European Social Democracy facing the Twin Revolution of Globalisation and the Knowledge Society*, Friedrich-Ebert-Stiftung, Amsterdam/Berlin/Vienna.
- Davis, K & I Mclean 1981, 'Economic Policy', in Parkin, A. & A Patience (eds.), *The Dunstan Decade: Social Democracy at the State level*, Longman Cheshire, Melbourne.
- Driver, S & L Martell, L 1998, *New Labour: Politics after Thatcherism*, Polity Press, Cambridge.
- Driver, S. & L Martell 2006, *New Labour*, Polity Press, Cambridge.
- Fielding, S 2003, *The Labour party: Continuity and Change in the Making of 'New Labour'*, Palgrave Macmillan, Basingstoke.
- Fitzpatrick, T 2003, *After the new social democracy: Social welfare for the twenty-first century*, Manchester University Press, Manchester.
- Gallop, G 2001, 'Is there a Third Way?', in P Nursey-Bray & C Lee Bacchi (eds.), *Left Directions: is there a Third Way?*, UWA Press, Perth.
- Gallop, G 2007, 'Strategic Planning: is it the New Model?', *Public Administration Today*, vol. Jan-Mar, pp.28-33.
- Gamble, A 2007, 'New Labour and old debates', in G Hassan (ed.), *After Blair: Politics after the New Labour decade*, Lawrence and Wishart, London.
- Gamble, A & T Wright (eds.) 1999, *The New Social Democracy*, Blackwell, Oxford.
- Giddens, A 1998, *The Third Way: The Renewal of Social Democracy*, Polity Press, Cambridge.
- Giddens, A 2000, *The Third Way and its Critics*, Blackwell, Oxford.
- Giddens, A (ed.) 2001, *The Global Third Way Debate*, Polity Press, Cambridge.
- Giddens, A 2002, *Where Now for New Labour?*, Polity Press, Cambridge.
- Giddens, A (ed.) 2003, *The Progressive Manifesto: New Ideas for the Centre-Left*, Policy Network, London.
- Gray, J 1996, *After Social Democracy: Politics, Capitalism and the Common Life*, Demos, London.

- Hassan, G (ed.) 2007, *After Blair: Politics after the New Labour decade*, Lawrence and Wishart, London.
- Johnson, C 2011, 'Gillard, Rudd and the Labor Tradition', *Australian Journal of Politics and History*, vol. 57, pp.562-579.
- Kelly, P 2003, 'Ideas and Policy Agendas in Contemporary Politics', in P Dunleavy, A Gamble, R Heffernan, & G Peele (eds.), *Developments in British Politics 7*, Palgrave MacMillan, Basingstoke.
- Latham, M 2001, 'The Third Way: an outline', in A Giddens (ed.), *The Global Third Way Debate*, Polity Press, Cambridge.
- Ludlam, S & MJ Smith (eds.) 2001, *New Labour in Government*, Palgrave Macmillan, Basingstoke.
- Ludlam, S & MJ Smith (eds.) 2004, *Governing as New Labour: Policy and Politics under Blair*, Palgrave Macmillan, Basingstoke.
- Lukes, S 1999, 'The Last Word on the Third Way', *The Review*, Social Market Foundation, London.
- Macintyre, C 2006, *State of South Australia: Trends and Issues 2006 Update: Politics Update*, Australian Institute for Social Research & Don Dunstan Foundation, Adelaide.
- Maddox, G 1989, *The Hawke government and Labor tradition*, Penguin, Ringwood, Vic.
- Manne, R 2008, 'What is Rudd's Agenda?', *The Monthly*, November.
- Manning, H 1992, 'The ALP and the Union Movement: 'Catch-all' Party or Maintaining Tradition?', *Politics*, vol. 27, issue 1, pp.12-30.
- Manning, H. 2005, 'Mike Rann: A fortunate 'King of Spin'', in J Wanna & P Williams (eds.), *Yes, Premier; Labor Leadership in Australia's States and Territories*, UNSW Press, Sydney.
- Merkel, W 2001, 'The Third Ways of Social Democracy', in R Cuperus, K Duffek & J Kandel (eds.), *Multiple Third Ways: European Social Democracy facing the Twin Revolution of Globalisation and the Knowledge Society*, Friedrich-Ebert-Stiftung, Amsterdam/Berlin/Vienna.
- O'Reilly, D 2007, *The New Progressive Dilemma: Australia and Tony Blair's Legacy*, Palgrave macmillan, Basingstoke.
- Parkin, A & A Patience (eds.) 1981, *The Dunstan decade: social democracy at the state level*, Longman Cheshire, Melbourne.
- Parkin, A & A Patience (eds.) 1992, *The Bannon Decade: The Politics of Restraint in South Australia*, Allen and Unwin, St Leonards, NSW.
- Patience, A 1992, 'The Bannon Decade: Preparation for What?', in A Parkin & A Patience (eds.), *The Bannon Decade: The Politics of Restraint in South Australia*, Allen and Unwin, St Leonards, NSW.
- Pierson, C & F Castles 2002, 'Australian Antecedents of the Third Way', *Political Studies*, vol. 50, pp.683-702.
- Rann, M 2011a, *Speech - 2011 Investigator Lecture - Charting a Course for Change*, Adelaide Town Hall, Adelaide.
- Rann, M 2011b, *Speech - Gaining Ground by Being Bold - UniSA Hawke Centre Lecture*, Adelaide Town Hall, Adelaide.
- Rann, M 2012a, *Speech - Politics and public policy: States as laboratories for reform*, ANU, Canberra.
- Rann, M 2012b, *Speech - Social inclusion: From Welfare to Social Innovation*, University of Auckland, New Zealand.

- Rann, M 2012c, *Speech - Launch of the Bannon Collection*, Flinders University, Adelaide.
- Rudd, K 2008, 'Australia 2020 Summit - Opening Remarks', Australia 2020 Summit, Government of Australia, Canberra.
- Scott, GM 1992, 'Economic Policy', in A Parkin. & A Patience (eds.), *The Bannon Decade: The politics of restraint in South Australia*, Allen and Unwin, St Leonards, NSW.
- Shaw, E 2007, *Losing Labour's Soul? New Labour and the Blair Government 1997 - 2007*, Routledge, London.
- Spoehr, J & B Burgan 2011, *Is the Credit Rating tail wagging the budgetary dog? Preliminary Analysis of the South Australian budget 2010-11*, Australian Institute for Social Research, Adelaide, available:
<http://www.sapo.org.au/pub/pub16723.html>.
- South Australia's Strategic Plan Audit Committee 2010. *South Australia's Strategic Plan - Progress Report*, Department of Premier and Cabinet, Adelaide.
- Spoehr, J 2000, 'Introduction', in J Spoehr (ed.), *Don Dunstan: Politics and Passion - Selected Essays from the Adelaide Review*, Bookend Books, Adelaide.
- White, S 1998, *Intepreting the "third way": not one route, but many*. MIT, Cambridge, Mass.
- Wilson, L 2009, 'Social Inclusion', in J Spoehr (ed.), *State of South Australia: From Crisis to Prosperity?*, Wakefield Press, Adelaide.