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The big reforms that prevail fuse the best of left and right

Christopher Pyne argues that the government is on the side of history in reforming higher education, but it is a bad history that he evokes. AAP/Lukas Coch

After the defeat of the Abbott government's higher education bills in the Senate, Education Minister Christopher Pyne invoked the legacy of past “reforms” that had been violently contested at the time of their introduction but were now accepted. Pyne cast the Abbott government as being on the side of history, but it is a bad history that he evokes.

Enduring reform programs from left and right necessarily include elements from the other side of politics. Capitalism and socialism are less opposites than feuding twins. Historian Martin Sklar, later Sarah Palin’s most distinguished admirer, argued in 1993 that capitalism needed socialism for security and socialism needed capitalism for wealth creation.

For changes in policy to survive they have to be part of what American political scientist David Plotke calls a political order: an equilibrium of institutions, parties and social movements that “define the main themes, policies and organised forms of national politics”. A political order establishes what French philosopher Michel Foucault called a "regime of truth": it defines how claims are evaluated.

Balancing voters' aspirations
In 1980s Australia, higher education became part of the political order fashioned by the Hawke-Keating governments. For much of the political class, the reforms of the 1980s and 1990s – as Nick Dyrenfurth has noted – remain a political lodestar.

For the right in particular, these years are cast as a time of unfulfilled revolution. They evoke a legacy of reform that will be realised only with the creation of a 19th-century-style minimal state.

But this evaluation of the Hawke-Keating legacy forgets that a successful political order is never a homogeneous totality: it is always necessary to balance aspirations for material advancement and security.

In the 1940s, the Labor governments of prime ministers John Curtin and Ben Chifley constructed a new political order in Australia. The regime of truth that applied to economic policy shifted markedly towards the left. Taxation levels increased, the capacity of the federal government grew, trade union power surged and a commitment to full employment became a condition of economic policy.

For some within Labor and the “planners” within the bureaucracy, these changes presaged a fundamental shift away from liberal capitalism and towards a form of socialism. This did not eventuate: Australian capitalism flourished in the 1950s. Labor and its intellectual sympathisers became trapped in nostalgia for the legacy of the 1940s, just as some in the contemporary political class pine for the glory days of Paul Keating’s early budgets.

A new political force emerged as part of this new political order in the shape of Robert Menzies’ Liberal Party. Liberal governments built on the foundations that the left had laid in the 1940s. When Labor finally returned to office under Gough Whitlam in 1972 it sought to revive the collectivist dreams of the 1940s, but these aspirations crashed when they contradicted voters’ aspirations for material advancement.

**The higher education debate**

The reforms of the 1980s had some similarities in form to the 1940s. “Economic rationalism” was an ideology that inspired many economic reformers. Like the planners of the 1940s, the economic rationalists won many victories: trade union power plummeted, the power of
financial markets increased and employers secured a renewed right to manage. This is the legacy that Pyne and his ideological admirers recall and seek to develop further.

This is only part of the story. During this period, government income support increased markedly and the federal government intervened dramatically in higher education. The reforms initiated by John Dawkins liberalised the management structure of higher education and introduced a form of user-pays in the shape of the Higher Education Contribution Scheme (HECS), but also dramatically increased student numbers.

The student left predicted that HECS would discourage enrolment, but instead higher education student numbers rose steadily. In a deregulated economy, individuals sought to improve their educational levels. They also sought to improve their stocks of human capital and relied on government support to achieve this goal.

The “new” Labor Party that emerged from the 1980s exulted its commitment to education as the main – and sometimes seemingly the only – point of differentiation from the conservatives. Even when Labor has struggled politically, its commitment to education has been a political asset.

The Abbott government has fallen for a particular mythology of economic reform. The Hawke-Keating government empowered markets in the name of material advancement, but then required government to compensate, perhaps inadequately, for the insecurity of markets. The modern higher education system seeks to achieve this goal.

However, the libertarian dreams of the 1980s cannot be revived 30 years after their inception any more than Whitlam could revive the legacy of 1940s socialism. This is something Pyne should take heed of as debate around his higher education reforms drags on into 2015.

Editor’s note: Geoffrey will answer questions between 3 and 4pm AEDT on Thursday December 11. Ask your questions about reform in Australia in the comments below.