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The Contradictions of the Albanese Labor Government in Australia: The Promise and Limits of 'Thin' Labourism

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Abstract
In 2022, after nearly a decade in opposition, the Australian Labor Party under the leadership of Anthony Albanese won office. The Albanese government faced a raft of challenges in government with tough economic conditions and post Covid-19 recovery, all in the context of stubbornly high levels of inflation. This article considers the achievements, complexities and contradictions of the Albanese government. During this term of office, the Albanese government is not without achievement, often resorting to a range of notable, if technocratic and incremental, responses to a wide range of structural problems. This is an instructive case in understanding how centre-left parties seek to renew and update their historic missions. Drawing upon the work of Michael Freeden, the argument set out here is that the Albanese Labor government is a striking case of 'thin' or 'new' labourism. At its most coherent, the ALP has sought to reinvigorate a specific social democratic tradition, yet this has entailed a suite of policy trade-offs and its electoral support remains narrow and brittle. The Australian case might well follow the Ardern Labour government in New Zealand, in offering only limited pathways of reinvention for the centre-left.

Keywords: Australian Labor Party, labourism, social democracy, Albanese, centre-left

The Albanese government in context

HISTORY REPEATS. IS it the fate of Labor governments in Australia to come to office in times of economic crisis? Two days after James Scullin became Labor prime minister in 1929, Wall Street crashed. Skip forward to the 1990s and then-Treasurer Paul Keating oversaw the recession 'that we had to have'. Within a year of being elected in 2007, the dynamism of Kevin Rudd's government was reeling from the impact of the global financial crisis. After nearly a decade in opposition, it is just the luck of Labor Prime Minister Anthony Albanese to navigate his government through an era of high inflation and crippling low growth in a post-pandemic context. The centre-left has long had a complex relationship with capitalism; the Albanese government is again on the back foot and under intense pressure. In the current era, voters are punishing incumbents and the economic gods certainly enjoy playing with Labor governments.

Australia has short three-year election cycles. Despite winning office in May 2022, the Albanese government faces the prospect of minority government in 2025, or even a return to the opposition benches. As 2024 drew to a close, Albanese's net approval polled the lowest it had been since becoming prime minister.[1] In comparison, the Keir Starmer Labour government has the relative luxury of not needing to face the electorate until late 2029.

The fate of the Australian Labor Party (ALP) government is a potential 'canary in the coalmine' for Starmer's Labour. Like its UK sister party, the ALP at the federal level has a generally poor electoral record, and Albanese is only the fourth leader to win from opposition since the Second World War. In addition, and as is common across many advanced industrial settings, the vote share of the major parties is in

[1] A. Beaumont, 'Labor and Albanese end 2024 in worst poll position this term', *The Conversation*, 17 December 2024; https://theconversation.com/labor-and-albanese-end-2024-in-worst-poll-position-this-term-245846

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strong decline. Labor's two-seat majority (seventy-seven of 151 seats) comes from a first preference count of 32.58 per cent—an historic low for the ALP.

The sands of Australian politics are shifting. Not since the early 1900s has the party system been so fragmented. Currently, there is a three-way split between the two major party groupings and the independents and minor parties. In the Australian lower house, the size of the crossbench has never been larger. A significant feature of the 2022 election was the breakthrough of the 'teal' independents. The 'teals' are independent candidates, mostly running in 'safe Liberal' seats who sought support from a fiscally conservative electorate (blue is the traditional colour of the centre-right Liberal Party) but held a much stronger policy stance on tackling climate change (hence 'teal'—a combination of blue and green). The electoral maths was complex for the Albanese government on entering government as it only held twenty-six seats in the seventy-six-seat upper house Senate, requiring at least thirteen votes from the crossbench of eighteen senators (which included twelve Greens). During the first term, one Labor senator—Fatima Payman—crossed the floor to join the independents.

To understand the current dilemmas facing the ALP, we must turn the focus to the key historic juncture of the 2019 federal election. This chastening defeat under then-leader Bill Shorten is analogous to UK Labour's scarring 1992 performance. A prevailing sentiment within the party attributed Labor's 2019 defeat to Shorten's wide-ranging policy agenda and ambitious plans for economic reform. Hailing from the party's left faction, new leader Anthony Albanese triggered a significant policy reset, backtracking on a series of tax pledges. Notably, the ALP was caught in a policy trap set by the Liberal-National Coalition which introduced highly regressive changes to the income tax system—the so-called 'stage three' tax reforms. In opposition, Labor had made the tactical decision to accept the tax changes to stave off accusations that it was the party of 'high tax'. In office, it was under pressure to reverse them.

In the run-up to the 2022 election, Albanese unveiled a series of 'vision' speeches in which he sought to articulate his agenda. Some of this was traditional Labor-fare: fiscal conservatism with an avowedly pro-growth agenda, but seeking to refurbish much of the country's infrastructure largely neglected by the previous nine years of coalition rule. Yet, there are two key tensions in the ALP's agenda worth noting. First, trying to escape from the 'climate wars', Albanese pledged to lead Australia's 'clean energy revolution'. This poses significant dilemmas for the centre-left, especially one whose economy is essentially resource-based and extractive. Second, Albanese and his Treasurer Jim Chalmers sought to pursue a 'mission-led' agenda to undertake structural reform of the economy (notably wage stagnation), but operating within very tight self-imposed fiscal and tax constraints. Even if Albanese can deliver on this reform agenda, perhaps like Schröder's SPD in the 1990s, he may not electorally benefit from the reforms in the medium to long term.

The culmination of the first term of the Albanese Labor government reveals a number of challenges faced by modern Labo(u)r governments. Taking office in a period marked by economic uncertainty, the government has been tasked with navigating inflation, sluggish growth and heightened public expectations for progressive reform. As we argue below, the ALP adopted a pragmatic 'thin labourism' approach that emphasises incremental improvements, such as securing better pay for low-income workers and improving conditions for gig economy employees, while treading cautiously around more radical structural reforms.

We begin our analysis of Albanese's Labor government by making sense of Labor's overall agenda and why the descriptor 'thin labourism' broadly captures its ideological imprint. In the second section, we examine the ALP's policy agenda and the trade-offs that come with its largely technocratic and incremental approach. Our focus then turns to one of the more distinctive aspects of Albanese's Labor: its broader approach to governance. Here, Labor is making some efforts to build a 'new economic model' down under, buttressed by an attempt to govern by 'consensus'. As we explore, this agenda is beset by a series of dilemmas, tensions and contradictions.

A case of 'thin' labourism

How to make sense of the Albanese government? The parallels with Starmer's Labour Party are apposite, with a shared fiscal

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conservatism, who are also wrestling with a long legacy of public infrastructure neglect by its centre-right predecessor. Eunice Goes has argued that Starmer's project is better defined as ideological 'quietism'.[2] This is a political strategy which seeks to build cross-electorate coalitions by dampening ideological appeals. For both Starmer and Albanese, this entailed a shift to making appeals on key values, notably 'security' and 'aspiration'. There is something in this, but while it might tell us something about political strategy, it does not really tell us enough about the ideological content of these governments.

Our starting point is to utilise Michael Freeden's concept of ideological 'morphology' to map the core, peripheral and adjacent concepts that cluster together to form the Albanese project.[3] Historically, socialism and social democracy are defined as 'thick' ideologies, drawing upon a rich tableau of concepts and values, including class, inequality, a critique of capitalism, community/collectivism and so on. Of course, no Labo(u)r government has expressed the full suite of social democratic concepts. Indeed, it might often be seen in the other direction of explanatory power and more analogous to Herbert Morrison's definition of socialism as 'whatever the Labor government does'. Yet, in contrast to the view that neither Starmer nor Albanese use 'isms', our mapping suggests that they do draw upon a distinct tradition—that of labourism. In a more recent guise, it is a tradition captured best by former ALP Prime Minister Julia Gillard:

> I'm not the leader of a party called the progressive party, I'm not the leader of a party called the moderate party. I'm not the leader of a party even called the social democratic party. I'm the leader the party called the Labor party deliberately, because that is where we come from, that is what we believe in, that is who we are.[4]

In its broadest sense, labourism is geared towards delivering improved wages and conditions and a material uplift for the working class. Or, as Manning argues, labourism seeks a 'Labor government charged with the duty of managing the economy for the benefit of wage earners'.[5] Historically, labourism was a target for socialists who saw the focus on immediate economic gains to be a betrayal of the wider project of socialist structural economic reform.[6] Peter Beilharz made a useful distinction between the broader social democratic project—which seeks an expansion of the concept of 'citizenship'—and labourism—which has a more narrow (and 'thinner') idea of citizens as wage earners. Earlier incarnations of labourism were configured around supporting the male breadwinner model. This was forged from a close relationship between meeting the political demands of the working class through a Labo(u)r government, buttressed by a strong trade union movement.

So, then, fast forward to the Albanese Labor government, which might be categorised as 'thin labourism', or perhaps less pejoratively, 'new labourism'. Why? First, if we follow Freeden's work on morphology, we find that the Albanese government draws from fewer ideological ideas and concepts than more traditional variants of socialism and social democracy. We can illustrate this with two examples. First, the concept of 'welfare' and the welfare state is arguably one of the defining achievements of the social democratic project. One so powerful that the Swedish Democrats seek to reclaim it from the Swedish Social Democratic Party (SAP) and preserve it for 'native' Swedes. Yet, it remains largely atrophied in the ALP's vision of reconfiguring the Australian state. While the flagship National Disability Insurance Scheme (NDIS) was introduced by Julia Gillard's government in 2013, the current focus of Labor's

[2]E. Goes, 'The Labour Party under Keir Starmer: 'thanks, but no "isms" please!', *The Political Quarterly*, vol. 92, no. 2, 2021, pp. 176–183.
[3]M. Freeden, *Ideologies and Political Theory: A Conceptual Approach*, Oxford University Press, 1996.
[4]J. Gillard, 'Speech to the Australian Workers Union national conference 2013', *PM Transcripts*, 18 February 2013; https://pmtranscripts.pmc.gov.au/release/transcript-19071
[5]H. Manning, 'The ALP and the union movement: "catch-all" party or maintaining tradition?', *Australian Journal of Political Science*, vol. 27, no. 1, 1992, pp. 12–30.
[6]T. Irving, 'Labourism: a political genealogy', *Labour History: A Journal of Labour and Social History*, no. 66, 1994, pp. 1–13; P. Beilharz, *Labour's Utopias: Bolshevism, Fabianism, Social Democracy*, Routledge, 1992; E. Humphrys, *How Labour Built Neoliberalism: Australia's Accord, the Labour Movement and the Neoliberal Project*, Haymarket Books, 2019.

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NDIS reforms has narrowed to its financial sustainability.

Or, if we take the traditional value of a 'critique of capitalism', then aside from some rhetorical flourishes, Labor has made only very tentative steps in implementing Mazzucato-style 'market redesign' measures. Part of the appeal of one variant of labourism is that it does not necessarily require significant reforms to capitalist structures; rather, its focus is on a material uplift for working people.

Where Labor has made headway, through a labourist lens, are the efforts to protect certain categories of worker. This is 'new' labourism in action. Its landmark legislation to give new rights to gig workers is a good example. It also shows a centre-left government seeking to defend what David Rueda calls workforce insiders and outsiders.[7] In addition, the Albanese government moved to give a 15 per cent pay rise to one of the lowest wage classes of workers in the country—those in the early childhood education sector. This is a heavily feminised workforce and differs from the traditional variants of labourism which were largely driven by the (male-dominated) trade unions. In short, when Anthony Albanese invokes 'labor values' in his speeches, he is signalling the efforts of his government to make clear material differences in its policy outcomes to key groups of workers. Yet, labourism is not without its trade-offs and, by turning to a suite of policy challenges, the complexities, tensions and contradictions become more apparent.

Labor and policy: the 'anti-Goldilocks' effect

After a period of policy inertia when the Coalition government under Scott Morrison came to an end, Labor has been active in office. There are emergent themes in Labor's approach to policy making, which we canvass across five main domains. One promise of Albanese's government has been a return to competence, in light of the Coalition's 'robodebt' policy fiasco and the post-2022 revelations that Scott Morrison had appointed himself to five ministerial portfolios at the height of the Covid-19 pandemic with neither public nor government knowledge.[8] More generally, Labor's policy approach has been corrective and technocratic. It seeks reform, but approaches it with caution and is often caught between these two poles.

Tax/economy

Labor's approach to tax reform and the economy in the first half of its term is defined by fiscal discipline, with limited tax changes, targeted spending and corrective support. Labor exudes the politics of caution. Although some members within the party—including the Treasurer—were reported to have supported withdrawing the Coalition's 'stage three tax cuts' once in government, Prime Minister Albanese initially maintained the commitment to retain them. These tax cuts, which eliminate a marginal tax bracket and raise the threshold for the highest income bracket from $180,000 to $200,000, were highly regressive.[9] The original, first stage of the tax changes was legislated in 2018 when the Coalition's Malcolm Turnbull was prime minister and the regressive stage three changes were due to take effect from 2024.

However, by early 2024, under persistent external pressures—particularly from the Greens—the Albanese government announced plans to restructure and reform the stage three tax cuts. This shift prompted responses from both business groups and unions. The Business Council of Australia called for a national summit to address deeper issues in the tax system, echoing calls for comprehensive tax reform initiatives similar to those of past governments. The Australian Council of Trade Unions (ACTU) welcomed the changes, with Secretary Sally McManus describing it as a beneficial step for working Australians.[10] Labor avoided the Coalition's policy trap by retaining the tax cuts for

[7]D. Rueda, 'Insider-outsider politics in industrialized democracies: the challenge to social democratic parties', *American Political Science Review*, vol. 99, no 1, 2005, pp. 61–74.

[8]J. Priergaard, 'Not my debt: the institutional origins of Robodebt', *Australian Journal of Public Administration*, 2024, pp. 1–17.

[9]D. Richardson and F. Stilwell, 'Tax reform', *Journal of Australian Political Economy*, no. 92, 2024, pp. 189–205.

[10]'ACTU backs changes to Stage 3 tax cuts', *ABC*, 25 January 2024; https://www.abc.net.au/listen/programs/radionational-breakfast/actu-backs-changes-to-stage-3-tax-cuts/103392368

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low- and middle-income earners, while restructuring those on high incomes. There is then something of a paradox at the heart of the ALP's approach to tax policy. On the one hand, the ALP was tactically adept in reversing tax changes that it had not campaigned on in 2022. The main upshot of these reforms was to return the broad tax settings back to the status quo in what is a low-tax economy.[11] Yet, this proved politically costly in that it broke an electoral pledge and the government was under fire for not tackling much needed broader tax reform.

'Corrective' social policy

In terms of welfare and social changes, Labor's efforts are incremental, technocratic and corrective.[12] Given that the Coalition government had neglected welfare spending until the Covid-19 pandemic, Labor was under pressure to make sustainable increases in social and welfare policy spending. However, Labor has had limited appetite to move in this direction, preferring to offer other forms of one-off cost-of-living relief. Nonetheless, Labor's second budget did include a range of measures which boosted payments for the unemployed, for rent assistance and energy relief.

Housing has remained a critical policy issue while Labor has been in office. The ALP has sought to address the housing crisis in Australia in two main ways. First, it legislated a new funding model, the Housing Australia Future Fund (HAFF). The HAFF was set up to deliver 30,000 social and affordable homes over five years by the government borrowing $10 billion from its sovereign wealth fund and investing this in equity markets, which in turn was expected to generate a $500 million annual return. One (political) benefit of the HAFF is that the funds sit outside the traditional annual budget costings. Housing supply in Australia is comparatively low by OECD standards and the ALP has also sought to stimulate housing construction by shifting away from direct social spending. Instead, it aims to direct market forces to increase the housing stock. This has the hallmarks of a third way approach, seeking to use private capital to fuel social investment, rather than rely on direct government borrowing and spending.

The second key element of the ALP's housing policy, its 'help to buy' scheme, has been much more contentious in Parliament. The proposed shared equity ownership scheme involves the government taking an interest in 40,000 homes, therefore taking co-ownership, to facilitate access for first-time home buyers. However, given Labor's small electoral lead in the lower house and the complexity of the composition of the Senate, the proposal was delayed throughout 2024, with the Coalition in opposition and the Greens in particular seeking significant reforms to pass it.

Climate change

A key promise of the return of a Labor government was a claim to put an end to the 'climate wars' that have bedevilled Australia's approach to tackling the climate crisis. Early into its term, Albanese sought to position himself, and Australia, as a climate leader, particularly in meetings with US President Joe Biden.[13] Albanese was able to legislate quickly (and with minimal fuss) for an emissions reduction target of 43 per cent by 2030. While Labor has taken key steps in this policy domain, critics argue that Labor's record in this domain is undermined by ongoing approvals for new gas and coal mines.[14]

Labor has faced pressure from both the independents and the Greens who have demanded more ambitious climate reforms. For example, in negotiating to legislate for an Environmental Protection Authority, the ALP has resisted pressure to include a 'climate trigger' in approval processes (in effect, measures to block resources projects on environmental grounds). A key

[11]S. Wilson, 'The limits of low-tax social democracy? Welfare, tax and fiscal dilemmas for Labor in government', *Australian Journal of Political Science*, vol. 48, no. 3, 2013, pp. 286–306.

[12]B. Spies-Butcher, 'Social policy', *Journal of Australian Political Economy*, no. 92, 2024, pp. 75–85.

[13]R. MacNeil and G. A. S. Edwards, 'The promise and peril of Australian climate leadership under Albanese', *Australian Journal of International Affairs*, vol. 77, no. 1, 2023, pp. 19–25.

[14]J. Quiggin, 'Expanding coal mines—and reaching net zero? Tanya Plibersek seems to believe both are possible', *The Conversation*, 22 October 2024; http://theconversation.com/expanding-coal-mines-and-reaching-net-zero-tanya-plibersek-seems-to-believe-both-are-possible-241007

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motivator for the ALP's technocratic approach has been to avoid alienating the business and key industry sectors. Labor stalwarts are still haunted by the efforts of the Rudd-Gillard governments to introduce a 'mining tax' and the fierce opposition that they faced.

In this policy domain (and in the others), we might also see an 'anti-Goldilocks' effect at play. Labor's lukewarm, if competent, action is either too hot for the right and centre-right, but far too cool for the more progressives, including the Greens and some of the teal independents. It is a strategy of caution coupled with competence.

Immigration

Immigration is a longstanding policy challenge for centre-left parties and their electoral vulnerability to the salience of this issue.[15] The spike in non-authorised boat arrivals posed significant challenges for the Rudd-Gillard Labor governments. After entering government, the ALP immediately sought to rectify what was described as a 'broken migration system'.[16] In a classic 'taking stock' move, the ALP commissioned two reviews into the migration programme and committed to reducing net overseas migration. By the end of 2023, the centre-right Coalition was raising concerns about 'high' levels of immigration, combined with several political blunders that occurred within the humanitarian stream. The Coalition deftly linked high migration levels to issues such as the housing crisis and access to services.

Labor's approach to migration policy has two key elements, both with a labourist focus. First, there were attempts to redress the exploitation of migrant workers and also tackle the problem facing many temporary migrants who wish to remain in Australia, but who remain on an indefinite temporary status. The second was the need to address labour shortages. The ALP has been somewhat successful in these efforts and had introduced a world-leading visa that allowed temporary migrants to extend their stay in Australia to pursue a work exploitation claim. They also sought to raise the minimum salary threshold of skilled workers, which had been frozen for over a decade. Finally, more pathways to permanent residency have been allowed for skilled migrants on temporary skill shortage visas, as well as New Zealanders in Australia. Yet, despite some sound policy making, Labor has been weaker in selling the 'politics'.[17]

First Nations policy: the voice to Parliament

One of the most significant blows to Albanese's agenda was the rejection of a referendum in October 2023 to amend the constitution to enshrine an Indigenous advisory body into the Australian Parliament and government. The 'Voice' was a key component of the 'Uluru Statement from the Heart', a landmark First Nations forum with over 200 Indigenous leaders who called for greater moves to reconciliation between Indigenous and non-Indigenous people, along with calls for a truth-telling process and a treaty.

In the first year of the Albanese government, polling showed high support for the Voice, but by mid-2023, it had declined sharply. A number of potential explanations for this have been provided in the media and recent burgeoning scholarship.[18] Two factors were critical: the high bar required to change the Australian constitution (a successful referendum has to achieve a 'double majority'—a plurality of both votes and states) and the lack of bipartisan support from the Liberals. With approximately 60 per cent of voters rejecting the Voice at the ballot box, the defeat of the referendum was a significant blow to the ALP, to say nothing of the majority of Indigenous people who supported the Voice. While Labor had

[15]T. Bale, et al., 'If you can't beat them, join them? Explaining social democratic responses to the challenge from the populist radical right in western Europe', *Political Studies*, vol. 58, no. 3, 2010, pp. 410–426.

[16]C. O'Neil, et al., 'Fixing Australia's broken migration system', *Australian Government*, 11 December 2023; https://minister.homeaffairs.gov.au/ClareONeil/Pages/fixing-australias-broken-migration-system.aspx

[17]P. Mares, 'Poor at politics, strong on policy', *Inside Story*, 2 August 2024; https://insidestory.org.au/poor-at-politics-strong-on-policy/

[18]A. Carson, et al., 'Voiceless: a multi-level analysis of the 2023 Voice to Parliament referendum outcome and its implications: an introduction', *Australian Journal of Political Science*, vol. 59, no. 3, 2024, pp. 308–313.

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run on a platform to unify the country, the months of campaigning leading to the referendum were marked by the politics of division. In the context of a cost-of-living crisis, anti-Voice advocates capitalised on the generally difficult economic circumstances, arguing the ALP government needed to focus on improving the condition of household budgets. In the month following the referendum, polling data showed that more voters disapproved of Albanese's performance than approved for the first time since becoming prime minister. Over two thirds of voters thought the ALP was not doing enough to overcome the cost-of-living crisis.

Across the policy domains, the Albanese Labor government's responses comprise a number of incremental, often technocratic, and cautious reforms. Its more ambitious reforms were lost in the generally tough economic environment. Or, in the case of the stage three tax cuts, Labor expended considerable political capital on what was essentially a 'corrective' strategy.

Labor's policy agenda can be viewed through two main lenses: 'government by narrative' and 'government by administration'. Governing by narrative entails telling a convincing story about the country and the future. Albanese's 'vision' speeches were a largely ineffectual effort to do that. Governing by administration reflects a more technocratic, targeted and rational approach to policy problem solving. Where Labor has been found most wanting is in its capacity to deliver a compelling narrative for its policy agenda. Where it has tried a bolder approach—for example, the Voice referendum—then it has not made a compelling case for support and change. In the policy sciences, this is the 'mobilisation of bias' model. Indeed, a contradiction at the heart of the failure to secure the Voice was that Labor was attempting to build a narrative for what was in reality a modest administrative change to create a new consultative forum. If we move beyond the detail of specific policy debates, there is a risk that two quite distinctive developments in Albanese's Labor are not captured in its overall approaches to governance.

New approaches to governance

A new economic agenda

The media and public attention on high inflation masked a notable development in Australian politics. When entering government, the ALP sought to redefine and reconstitute the economic architecture in Australia. This can be seen as part of broader attempts by centre-left parties to reimagine their political identities and agendas in a post-third-way era. In the lead-up to the 2022 election, the ALP had already begun signalling its plans for a new vision and a new direction for government.

At the centre of Labor's vision for a 'new economic model' was a focus on economic growth that was inclusive and fiscally responsible. This economic agenda became articulated more clearly by Treasurer Jim Chalmers, who outlined his aspirations to institute a 'values-based capitalism'. For Chalmers, pursuing a values-based form of capitalism was a recognition of the failure of neoliberalism to address issues of productivity and inflation, which could be rectified through redesigning markets and rebuilding or recalibrating economic institutions to foster resilience, well-being and cooperation.

The desire to address the issues of high inflation and low productivity has been similarly emphasised in the UK by Rachel Reeves.[19] Albanese's Labor government has attempted some institutional redesign, notably seeking to change the mandate of the Reserve Bank, introducing a new Economic Inclusion Committee and developing a 'wellbeing framework' to supplement its traditional economic indicators. Yet, despite the ambitious discursive attempts to present a 'new economic model', the impact of these reforms has been limited. Ultimately, this is only an embryonic agenda and the ALP has largely sought to accommodate capital while working within neoliberal settings.

Governing by consensus

The second distinctive approach to the Albanese government is a 'consensus' approach to leadership and governance. Albanese's vision for a politics is akin to that of former ALP Prime Minister Bob Hawke, which was an electoral strategy to win government, but also an attempt to signal a new approach to governing within key economic and industrial

[19] 'Rachel Reeves Mais lecture 2024', *Labour*, 19 March 2024; https://labour.org.uk/updates/press-releases/rachel-reeves-mais-lecture/

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policy areas. While not neo-corporatist, Albanese's government has tried to find new vehicles to forge consensus for both the voice of capital and labour.

Electorally, Labor's adoption of a consensus-focussed strategy worked well to differentiate the party from the years of conflict that had categorised the previous Morrison-led Coalition government. It also functioned to distance Albanese as party leader from the previous ALP leadership of Bill Shorten, who was characterised by an antagonistic portrayal of the relationship between business and workers.

In office, Albanese's consensus approach sought to build cooperation and find common ground between business, labour and government. Labor's 'Jobs and Skills Summit' in September 2022 was a key marker of this agenda. At the summit, Treasurer Jim Chalmers described it as 'the beginning of a new era of cooperation and consensus.' However, the summit itself did not result in significant institutional reform or a clear agreement between businesses and unions, falling short of the extensive reforms achieved by Hawke through his Prices and Incomes Accord with the trade unions.

While this strategy initially aimed to build cooperation among business, labour and government, its long-term effectiveness is now in question. The withdrawal of some key business leaders from newly established consultative economic bodies and the absence of major institutional reforms suggest that this consensus approach might be a short-lived tactic, rather than a meaningful shift in policy direction. If we combine both the efforts to create a new economic model and a push to govern through consensus, there is evidence of a contemporary centre-left party trying to build a new political identity. This remains a striking, if not widely reported, part of Albanese's Labor government, that only appears to have had a short-lived legacy.

The promise and limits of labourism

The trajectory of the Albanese government reflects the enduring challenges faced by Labor administrations in Australia, particularly during times of economic turmoil. The Albanese government represents an incrementalism rooted in a 'thin' variant of a much older tradition—labourism. Its approach balances the need for immediate, tangible gains—such as improved rights for insecure workers and wage increases for low-income sectors—with a more cautious attitude toward structural economic reform. The promise of labourism is that it can be coupled with competent policy responses and acknowledge deeper policy problems. Yet, despite the rhetoric of seeking a 'values-based capitalism', the government remains constrained by the neoliberal architecture it seeks to adjust rather than overhaul.

The government's initially cautious approach to fiscal policy has come under pressure, necessitating a re-evaluation of its commitments, especially concerning tax reforms. These limitations reflect broader tensions faced by centre-left governments worldwide, including that faced by Starmer's Labour. If anything, the task for centre-left governments to build cross-electoral support has become even harder in the era of the decline of the major parties.

At its heart, there are a suite of tensions, contradictions and trade-offs in the politics of labourism. A key dilemma is the appetite to pursue economic and social structural reforms which run against the entrenched variants of neoliberalism. One response by Labor has been to yield to neoliberal tendencies, for example, in its flagship HAFF reforms. Simply put, the ALP has reverted to a financialised third way politics, predicated on a pro-growth, market-based strategy, to try and grow the housing market.

Or, as we outline above, there are tensions in Labor's efforts to recalibrate Australia's economic infrastructure. Notably, the ALP is aiming to legislate 'full employment' into the mandate of the Reserve Bank. Yet, the New Zealand experience is a salutary example, where the centre-right quickly abandoned the 'dual mandate' put in place by the Ardern Labour government. The Arden Labour government, despite its strong political capital at its second election, had little to show for its structural reforms by the time it was ejected from office. Voters preferred 'jam today' over 'structural reform later'.

The dilemma for Albanese's Labor is that it is caught in a new variant of an old problem. It

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recognises significant issues and crises in Australian politics. It raises public expectations that it will address them, but feels constrained in only offering incremental or technocratic responses. Rhetorically, the Albanese Cabinet has acknowledged a suite of significant problems besetting Australia and it has signalled strong government intervention; for example, its focus on a 'green energy revolution'. Yet, Labor's fears of electoral backlash and entrenched business interests limit both its imaginary and material efforts at structural reform. It is notable, too, that neither the Starmer nor Albanese governments have indicated any serious appetite for embracing a more postcapitalist politics (for example, a push for a universal basic income). Rather, it aspires to build a winning electoral formula based on delivering practical achievements through its thin labourism. In more fragmented and fluid political systems, the electoral support for such an approach might be short-lived, at best.

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