

THE ASCENDANCY OF NEO-LIBERAL THINK TANKS IN AUSTRALIA

Andrew Thackrah, a Norman McCann Summer Scholar, focuses on think tanks to explore the history of neo-liberalism in Australia

The economist, J.M. Keynes, once famously noted that:

The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else.

Keynes was no advocate of unrestrained laissez-faire capitalism, yet his comments seem pertinent today in the context of the rise of market-focused neo-liberal thought.

The philosophy of neo-liberalism—emphasising the (largely economic) virtues of minimal government and the desirability of individual freedom from coercion (primarily the coercion of government and the public sector)—has decisively shaped the way in which we live our lives. For example, the emphasis of neo-liberals on the technical 'beauty' of the free market is complemented by the urban landscapes within which most of us live. Contemporary London is dominated by the architecture of the major financial institutions, just as the landscape of Australian cities is dominated by buildings owned by merchant banks such as Macquarie or Babcock and Brown. The fact that most Australians have money invested in superannuation funds controlled by large financial institutions is another very real reminder of the influence that the powerful free-market finance sector has over our lives.

There are myriad ways in which to look at the history of neo-liberalism; a number of historians (such as Richard Cockett in his 1995 book, *Thinking the Unthinkable: Think-tanks and the Economic Counter-Revolution, 1931–1983*) have chosen to approach the topic by examining the history of privately funded think tanks. In



Australia, the most prominent think tanks with a stated philosophical commitment to the tenets of neo-liberalism are The Centre for Independent Studies (CIS) and the Institute of Public Affairs (IPA). The political influence of neo-liberalism in Australia has, arguably, resulted from prior success in the 'battle of ideas'. Groups such as the CIS have developed the intellectual framework of free-market thought in Australia. While political scientists have struggled to unravel their influence upon specific governments' policies, think tanks have played, and continue to play, the important role of running ahead of accepted public wisdom—'thinking the unthinkable'—and changing the framework within which public policy debates are conducted.

During my six weeks at the Library, I pored over the periodicals and monographs published by the CIS and the IPA. I searched the boxes in the Manuscripts Collection relating to the activities of the NSW branch of the IPA and also read some of the personal papers of notable Australian advocates of free-market economics, including those of the former federal parliamentarian, Liberal back bencher Charles 'Bert' Kelly, and economist Heinz Wolfgang Arndt.

The material I examined highlighted three merits of focusing on think tanks to explore the history of neo-liberalism in Australia.

Geoff Pryor (b.1944)
'You Can't Touch Me! I've Got God on My Side!' 1991
[John Hewson carrying a torch for the New Right being thrown to the lions of the welfare lobby]
pen and ink on paper
24.0 x 36.5 cm
Pictures Collection
nla.pic-vn3117058



above:
Heide Smith
Professor Heinz Arndt,
Canberra, Australian Capital
Territory, 1994
gelatin silver photograph
25.3 x 20.3 cm
Pictures Collection
Courtesy Heide Smith

below:
Cover of *freeEnterprise*, March
1976, edited by Marilyn
Gieseckam
(Sydney: Workers Party, 1976)



Firstly, to study neo-liberal think tanks is to study the contradictions and tensions that exist within this branch of political thought. Such think tanks, being primarily concerned with the philosophical foundation of their school of political thought, have to face up to the complexities they encounter. One such complexity is the tension that exists between

those neo-liberals who emphasise the need for the removal of almost all government regulation of the free market and those who advance the same argument but in the context of a broader libertarian agenda of social and economic freedom that seeks to remove government restrictions from almost all areas of life.

The founder of the CIS, Greg Lindsay, was involved in running the (unsuccessful) libertarian Workers Party in Sydney in the 1970s. Their journal, *freeEnterprise*, reveals that some involved in the Workers Party hoped that it would appeal to a broad group

of individuals united by a desire to reduce the influence of government—'both marijuana smokers and business entrepreneurs', as one activist stated. As Lindsay has acknowledged, however, in its first decade the CIS centred its thinking almost entirely on economic matters. Neo-liberal think tanks in Australia still confront the question of whether a campaign for the removal of economic restrictions should be accompanied by the championing of broader personal freedoms or whether a more conservative approach—that values, for example, the

traditional family unit—is required in order to protect the free-market system.

Secondly, advocates of the free market in Australia have been aware of the need to adapt both the presentation of complex and technical economic arguments and the structure of their groups for different audiences and purposes. In particular, a study of neo-liberal think tanks reminds us of the politically important role that such groups have played in explaining the philosophical tenets of neo-liberalism by making recourse to the language of the 'everyday' social world and, in so doing, framing their brand of politics as 'commonsense'.

The IPA, while founded to defend the free-market system, did not fully devote itself to advocating neo-liberal policies until the 1980s. Yet in the 1970s the bi-monthly pamphlet *Facts*, produced by the Victorian division of the Institute of Public Affairs, already typified, in its style and content, this 'politics of commonsense'. *Facts*, which was distributed in workplaces by major businesses such as BHP, rarely produced an edition longer than eight pages and reads rather like *Readers' Digest*. Its purpose, which it fulfilled with an accessible yet frequently repetitive style, was to indicate to the everyday worker the benefits that private enterprise delivers to the whole of society. One of the most effective ways this was achieved was by the publication of a quasi morality tale. This tale would often point out the benefits that individuals would supposedly gain from the free-market system (such as secure employment and higher standards of living) but would also cleverly play on an existing conservative sentiment of national pride and respect for the family. The August–September 1976 edition, for example, argued that a dependency on governments was out of keeping with the Australian historical tradition of personal resilience:

Increasingly, people seem to be looking to others to rescue them from their difficulties and solve their problems for them ...

These are unhealthy tendencies. They are a far cry from the spirit of the earlier Australians, the pioneers who were thrown completely on their own resources, and who were compelled, by sheer necessity, to do everything for themselves.

Adopting an even more pedestrian tone, the earlier June–July edition reminded readers that 'life is not meant to be easy' and that hard work was required for civilisation to thrive. The style of writing adopted by the IPA in *Facts* is a demonstration of how a factually simple and 'soft' (rather than detailed) moral view of the world has assisted advocates of the free market to translate often complex economic or ideological arguments into the language of the everyday.

Free-market advocates have not only been aware of the need to present their arguments in 'everyday' language, but they have also understood the need to adapt the structure of their groups to complement changes in the presentation of their ideas. The records of the IPA (NSW), for example, contained material relating to a body known as Enterprise Australia, which was set up by the IPA to coordinate the work of existing advocates of the free market in Australia. Although claiming that the body was 'essentially above party politics', the report of the President of the IPA (NSW), Mr David Griffin, to the Executive Committee in March 1975 (marked 'highly confidential') admitted that 'an immediate target is of course the removal of the present Labor Government in Canberra'.

The president acknowledged, however, that the IPA should be strategic in the way it went about criticising the Labor Party, suggesting that it should emphasise its opposition only to certain policies, rather than admitting to its belief that the party was not fit to govern. It was also decided that such policy criticism should be kept separate from the image of the IPA to ensure that it would be perceived to be above party politics. Griffin's report gives an indication of how privately funded think tanks and their free-market ideas have been able to gain political ascendancy in Australia while still maintaining some intellectual credibility in the eyes of the public.

Thirdly, my research gave me an important insight into the way in which Australian neo-liberals have viewed their political and intellectual movement. Surprisingly, advocates of the free market in Australia have frequently cast themselves as outsiders who struggle to influence a political system where the real power supposedly rests with

'vested interests' such as those championed by the trade union movement. I have often suspected that this self-image was a convenient and self-serving pose. I did, however, find some evidence that, despite the fact that their think tanks have received significant funding from big business, neo-liberals have viewed themselves as underdogs. In his diary, Charles 'Bert' Kelly shows that he saw himself as an outsider within parliament as he relentlessly pursued his campaign against tariffs and subsidies. The ceaseless attempts of the IPA (NSW) to obtain funding indicate that, despite considerable success, its leadership was frequently disappointed that business did not sufficiently fund its endeavours to protect the interests of free enterprise in Australia.

As strange as it may seem, the study of neo-liberal think tanks is the study of how an intellectual movement (with its origins stretching back to the immediate postwar era) has seen itself as being on the 'outside' of dominant political and intellectual trends, and how it has attempted to develop its own institutional and strategic response to overturn the political status quo.

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Cover of *Facts*, August–September 1976
(Melbourne: Institute of Public Affairs, 1976)

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Australian Progress under Free Enterprise (1900–1975)
reproduced from *Facts*, August–September 1976
(Melbourne: Institute of Public Affairs, 1976)



Australian Progress under Free Enterprise (1900–1975)

	1900	1950	1975
Population	4,483,000	6,968,000	12,000,000
Real National Production — at 1975 prices (1950 value)	41,000	42,100	317,000
Number of Cattle — (in 000s)	8.8	36.5	371
Number of Sheep — (in 000s)	71	110	140
Woolage Under Shear — (in 000s)	6.5	15.8	30
Iron Ore Production (in 000,000s)	0	5.4	60
Coal Production — (in 000,000s)	7	34.2	34
Employment in manufacturing	200,000	417,000	1,200,000
Average hours of work	4	43	50%
Life Insurance Policies — (in 000s)	793,000	5.5 million	8.5 million
Tertiary Students (in 000s) — Excludes Government students	2,000	24,000	270,000
Motor Cars (in 000s) — (in 000s)	0	774,000	1,000,000
Telephones	28,000	735,000	3,200,000