

# **Saving neoliberalism:** Rudd Labor's response to the 2008 global economic crisis

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# CERTIFICATE OF AUTHORSHIP

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of my thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

Signature of Student:

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# ABSTRACT

2008, the moment of neoliberalism's greatest challenge – the crisis that many have described as a “crisis *of* neoliberalism” – also provides the best vantage-point to understand its nature and resilience. In Australia Rudd Labor's response to the crisis appeared to break with neoliberalism. In the midst of the crisis Rudd personally authored a lengthy essay calling for a renewed social democracy. In the same month his government launched the major component of a \$70 billion 'Keynesian' fiscal program. The \$42 billion 'Nation-Building Jobs Plan' stimulus package included a wide range of measures such as the 'Building the Education Revolution' and the 'Homeowners Insulation Program'.

This thesis analyses the design and implementation of Labor's major stimulus measures. It begins by constructing a theoretical approach addressing the origins and development of neoliberalism and then analyses how Labor governments have addressed economic crises in the past, to shed light on the approach taken by the Rudd Government. In this context, the stimulus measures are used as something of a “stress-test” of the government agencies that administered them. Each stimulus program yields rich insights into the extent to which neoliberalised outsourcing practices have transformed the Australian state – from direct provision of public services to the funding of private contractors. The design of the stimulus measures is further interrogated to examine the assumptions of Rudd Labor, and the extent to which neoliberal practice was superseded. On the basis of this investigation the thesis concludes that, in contrast with Rudd's ideological interventions, Labor ministers accepted neoliberal policy paradigms unquestioningly, and in fact designed new ways of extending and entrenching market-friendly trends.