

“Real freedom for the filthy rich – precariousness for the rest of us: Why we must fight for a Basic Income.” *

Abstract:

Following the Second World War it looked as if governments in Britain, many parts of Europe, Canada, Australia, New Zealand and to a lesser extent the United States of America were intent on expanding the scope and generosity of each of their welfare states. In 1964 President Lyndon Johnson declared a “war on poverty” but somehow these efforts have metamorphosed into a war against the poor (Tomlinson 2013).

The rich are getting richer, the middle classes are being hollowed out and the poor are sinking deeper into poverty throughout much of the English-speaking world and the western world more generally.

Despite the United Nations setting Millennium goals designed to abolish poverty in the Third World: famine, starvation and malnutrition still cause about 40,000 deaths every day of the year.

Australian governments have generated downward envy, railed against welfare dependency, allowed the spread of casualised, part-time, insecure and precarious employment while simultaneously decreasing industrial protection. Government policies discriminate against Indigenous Australians and asylum seekers.

The paper will survey these features of Australian life and argue that many of the worst excesses of our present existence would be mitigated if the citizenry of my country were convinced to support a universal Basic Income.

The post World War II welfare state

Following the Second World War England set out to abolish the five giant evils of society, namely “squalor, ignorance, want, idleness, and disease” identified by Sir William Beveridge (Timmins 1995). Much of Northern Europe expanded their welfare services. The Scandinavian countries developed the most comprehensive system of social provision. Australian, New Zealand and Canadian governments expanded both the scope and generosity of their social security, health and educational systems. The US had during the 1930s Depression launched the New Deal to provide relief for the unemployed, reform of the financial system to prevent depression and a return to normal economic circumstances. Gradually the US social welfare system expanded. In 1964, President Johnson declared a “War on Poverty.

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In 1968 the economists John Kenneth Galbraith, Paul Samuelson, Robert Lampman, Harold Watts and James Tobin, joined by some 1,200 colleagues, called on Congress "to adopt this year a national system of income guarantees and supplements" (cited in Moynihan 1973 p. 126). President Nixon saw in the negative tax suggestion the possibility of reforming the welfare system in ways compatible with his general political orientation: workfare not welfare. (Tomlinson 2003, Chapter 9, pp 7-8).

During the 1970s, in both Canada (Pasma and Mulvale, pp 6-9) and Australia (Henderson 1975) government inquiries recommended the introduction of what Canadians tend to call a guaranteed adequate income or a guaranteed annual income and what Australians term a guaranteed minimum income. It looked for a time as if universal income guarantees was an idea whose time had come.

Where are we now? The US points us in the direction most of the western world is heading

In the United States of America "the real median income of full-time male workers is lower than it was 40 years ago (Dartagnan 2014)". As Paul Buchheit (3rd September 2013) points out:

One out of every five American children now lives in poverty, and for black children it's nearly one out of two ... UNICEF places us near the bottom of the developed world in the inequality of children's well-being, and the OECD found that we have more child poverty than all but 3 of 30 developed countries.

In a later article Buchheit (7th October 2013) notes that:

In 1983 the poorest 47% of America owned about 2.5 percent of the nation's wealth, an average of \$15,000 per family. In 2009 the poorest 47% of America owned zero percent of the nation's wealth (their debt exceeded their assets).

Anyone who doubts that the middle class is being hollowed out in the United States would do well to read this article (See also Pear 2011).

George Monbiot writing in *The Guardian* on the 14th January 2013 noted that "In 2012, the world's 100 richest people became \$241 billion richer. They are now worth...just a little less than the entire output of the United Kingdom." He suggested that the policies leading to this result included reductions in the tax rates paid by high income earners, failing to pursue tax payments from the rich, "government's refusal to recoup a decent share of revenues from minerals and the land; the privatisation of public assets and the creation of a toll-booth economy, ... and the destruction of collective bargaining."

"The Economic Policy Institute, a think-tank, calculates that chief executives at America's 350 biggest companies were paid 231 times as much as the average private-sector worker in 2011" (JS.2012). This same think-tank calculated that in the year 2000 these executives or their equivalents had been paid in the order of 400 times average private-sector workers: whereas in 1975 this ratio was only 20 times the average workers salary. At Walmart the ratio between the pay of the CEO and the median workers pay is over 1,000 to one. "The average total remuneration of a chief executive of a top 50 company listed on the Australian

Securities Exchange in 2010 is \$6.4 million – or almost 100 times that of the average worker” (ACTU 2013) and it needs to be remembered that two-thirds of Australian workers receive less than the average wage.

The gradual development and erosion of social protection in Australia

In 1907, the Arbitration Commission, in what came to be known as the Harvester Judgement, installed a minimum basic wage system sufficient to sustain a man, a non-employed wife and a couple of children. In 1910, the government started paying age and disability pensions. The system of social security gradually expanded until by 1947 it included child endowment, unemployment and sickness benefits, age, widow, and disability pensions and a range of other benefits and allowances. It was categorical and means and asset tested (Kewley 1973). The scope and generosity of benefits continued to increase until the late 1980s (Kewley 1980, Tomlinson 2003 Ch 2).

Since then, and at an increasing rate, the protections of the arbitration system and the social welfare system have decreased. We are in the process of becoming a far less egalitarian society. The emphasis is shifting away from full-time secure employment towards contractual, insecure, part-time and precarious employment with split shifts and on-call work predominating.

The Keating Labor Party in 1995 announced that “reciprocal obligations” would be attached to many social security payments. The incoming conservative Howard Government substantially increased the intensity and extent of what it termed “mutual obligations” through “work for the dole” and compulsory attendance at courses, training programs, interviews and whatever else some petty bureaucrat decided was appropriate. The six years of Labor governments between 2007 and 2013 gave some slight respite but the return of the ultra-conservative Abbott Government has signalled a return to forcing recipients of social security to give something back in return for receiving a below the poverty line welfare payment. Australia is fast moving away from even paying lip service to ensuring that all in need are assisted by the social security system and is heading in the direction of self-provision.

Australian Superannuation lacks equity

From the third decade of the 20th century the majority of support for superannuation came from senior ranks of the public service, high paid owners and senior staff of large businesses and the conservative side of politics. In the mid 1970s the Whitlam Labor Government commissioned the Hancock Committee to enquire into alternatives to the age pension. In 1976 the Hancock majority report recommended introducing:

a pension for all over the age of 65 years, set at a rate of 25 per cent of average weekly earnings, with a means tested supplement raising the income to 30 per cent of average weekly earnings for those without other forms of additional income. Others would receive the base payment plus a purchased pension dependent on contributions, in this case no means test would apply to the base payment. The proposal was to be funded by an

extra income tax levy of 5 per cent of income in excess of 30 per cent of average weekly earnings. Those whose income was less than 30 per cent of average weekly earnings would not have contributed. (Tomlinson 1989 Chapter 6)

In the early 1980s Treasurer Paul Keating in the Hawke Labor Government became the main backer for a privatised national superannuation scheme. At the time only 46% of male and 22% of female employees had access to any form of superannuation. In May 1984 Helen Creed and myself presented a paper to the Australian and New Zealand Association for the Advancement of Science Congress in Canberra in which we pointed out that the privatised superannuation scheme the government was putting forward would perpetuate financial inequality and “that such a scheme would do little to redress the subjugated position of women, Aborigines and the young unemployed, many of whom were excluded from the workforce by “structural issues” (Canberra Times, 15th May, 1984, p 9). Our central argument was that:

A guaranteed minimum income scheme appeared a better option than a national superannuation scheme in that “whilst there would still be gross inequalities present between those who had been able to successfully exploit the capitalist system and those who were excluded from the productive process, it would be possible to have a minimum level of income for all Australians set at a livable level (Canberra Times 1984, 15th May, p 9).

A major obstacle to the introduction of an above the poverty line universal Basic Income in Australia is the existing taxation treatment of superannuation. There is strong support for the form of privatised superannuation by the rich and super-rich who are the major beneficiaries of the schemes. There is also strong support for superannuation amongst trade union leaders who control many of the “Industry Funds”. Banks and insurance companies derive massive profits from the superannuation funds they control. Support also comes from those members of the working class who want to avoid the stigma and control associated with the “welfare system.” Those whom the capitalist press is wont to call “aspirational voters” tend also to be strong supporters.

Whilst workers generally might collectively gain more from a universal Basic Income some of them feel that *as individuals* they can get disproportionately more from the capitalist system through personal privatised superannuation. The ideology of economic fundamentalism continues to be a very strong force in Australian society.

Jim Chalmers, former Chief of Staff to Wayne Swan Federal Treasurer in both Rudd and Gillard Labor Governments and who is now a member of the federal parliament suggests:

We now need the courage to admit to the Australian people that the concessions for wealthy Australians built into the superannuation system are neither desirable nor sustainable. ... we can no longer maintain a system that disproportionately favours the rich at the expense of the poor. This is subpar policy too, as the cost of tax concessions for

superannuation outstrip the savings they are meant to generate from less reliance on the age pension. (page 183)

Gerard Hughes (2008, pp.104-147) supports the view that the Australian form of privatised superannuation results in the government disproportionately advantaging the wealthy. Following a 900 page commission of audit, handed to the Abbott Government, which recommended major reductions in government spending on social welfare services former Leader of the Parliamentary Liberal Party, John Hewson, called for any review of the government expenditure to include a full review of taxation concessions noting that the foregone tax on superannuation is an amount in excess of the cost of the age pension (ABC Breakfast 2014 a). A left-leaning think-tank, The Australia Institute based at the Australian National University, also supports scrapping tax concessions on superannuation as a more equitable way to fund increased income support for the aged (Glenday 2014).

Austerity for the poor

In 2013, Canadian Senator Hugh Segal noted that: “From Washington to Ottawa to London to Paris, austerity, in different measures and calibrations, has taken the place of innovation. We do not and have not taken a fundamental new approach to poverty reduction in a quarter of a century.”

The Australian Treasurer Joe Hockey has repeatedly warned that “the age of entitlement is over” suggesting that “the age of personal responsibility has begun” (News.com.au 2014). At a large anti-Abbott government rally in Sydney in March of this year one of the posters held aloft read “I feel entitled to a decent government.” In the run up to the Budget, Hockey foreshadowed forcing more Disability Support Pensioners on to unemployment benefits (which are paid at significantly lower rates and are surrounded with extensive obligations). Hockey signaled other welfare cuts to single parents and their children and imposing extra costs on medical services. “The less provision we can claim as a citizenship right, the more can be offered as propaganda, on the basis of some putative moral advantage (Seymour 2014).”

This at same time as Prime Minister Abbott is advocating paying working mothers a 6 month maternity allowance at their existing rate of pay for those on incomes of up to \$150,000 a year. It should be remembered, “the average total weekly earnings of women in Australia is \$871.30”(ABS 2013 a). This amounts to an annual wage of \$43,565. As a general rule approximately two-thirds of Australian women earn less than the average wage. So some well off women would be paid a maternity allowance of \$75,000 whilst their less affluent sisters on average earnings would only receive \$21,782. Mothers who are not working would not be paid a maternity allowance.

Political correspondent, Ben Eltham (2014 a) notes that:

Despite 21 years of continuous economic growth, Australia does not face a wages break-out. Rates of pay for most workers are in fact constrained, by any measure. The latest wage price index figures from the Australia Bureau of Statistics saw wages rise by only 2.5 per cent for the year to

December 2013. In the same period, gross corporate profits were up 9.5 percent (See also Heap 2013).

In addition Ian McAuley (2014 a) says that :

the highest estimates (by the right-wing Centre for Independent Studies) show our consolidated public debt to be just over \$600 billion, or around 30 per cent of GDP. That's considerably lower than the OECD average of 90 per cent.

One of Australia's leading novelists, Tim Winton last year reflecting on the erosion of egalitarianism wrote:

I don't think it's an exaggeration to say that citizens in contemporary Australia are now implicitly divided into those who bother and those who don't. It seems poverty and wealth can no longer be attributed – even in part – to social origins: they are apparently manifestations of character. In the space of two decades, with the gap between rich and poor growing wider. Australians have been trained to remain uncharacteristically silent about the origins of social disparity (p 24).

Winton concludes his look at class in Australia by suggesting:

... it disturbs me to see governments abandoning those at the bottom while pandering to the appetites of the comfortable. Under such conditions what chance is there for the working poor to fight their way free to share the spoils of our common wealth (p 31)?

The casualisation or (contractualisation) of the lowest paid academics leads them into a precarious existence that demands subservience but can't command loyalty. The deskilling or at least the refusal to recognise existing skills (and the fierce determination by management not to pay for any of the pre-existing skills such non-tenured academics might have in such teaching-only positions) is destructive to the interests of universities because it converts the craft / profession of university education into low status job.

This is not only happening in universities. It may have started in economic fundamentalist driven companies where the *just in time mentality*, making savings by cutting training budgets and foregoing worker safety leads to increases in the economic bottom line for high-flying executives and wealthy shareholders. Nowadays top executives are saddled with the task of finding something to do between the welcoming financial handshake and their parting golden parachute. As executives they settle for stripping assets, slashing working conditions and cutting staff. Such *fiscal rectitude* is now rampant in all Australian government departments and corporations.

In the not-for-profit welfare sector agencies are forced to compete with each other for government contracts to provide services that governments can't or won't provide to clients. Governments have encouraged such agencies to fiercely compete to ensure the lowest possible price. The days when welfare agencies, in a locality, cooperated to provide a comprehensive service in their district are long gone.

This is what is happening to government and welfare workers. What chance is there in such working environments that people who are Indigenous, asylum seekers, refugees, recent migrants, unemployed, ill, disabled, widowed, elderly, homeless, orphaned or impoverished for other reasons are going to be treated humanely and with respect for their individual dilemmas. As we say in Australia they have Buckley's – meaning “no chance” (Wikipedia 2014).

The tone of the times – some themes

In order that people who don't live in Australia might acquire a sense of what is happening in my country I'll make a few brief points of some pivotal issues namely: the Northern Territory Intervention, the repeal of Section 18C and other Sections of the Racial Discrimination Act, the holding of asylum seekers in camps in distant parts of Australia and on Manus Island (in Papua New Guinea) and on Nauru, forcing back asylum seekers to Indonesia and the repeal of the Rudd Labor Government's financial advice reforms.

Financial advice

Let's start in reverse order. The Rudd Labor Government had in the wake of the Storm Financial collapse, where largely elderly investors had together lost billions of dollars, legislated to prevent financial advisors receiving undeclared commissions, force such advisors to act in the interests of their clients and to end (after 2 years) ongoing commissions to advisors unless their clients agreed to an ongoing arrangement. The Liberal Government's Assistant Treasurer Arthur Sinodinos who, in the past, had worked for Goldman Sachs JB Were and the National Australia Banks and as the Chairman of Australian Water Holdings (AWH), where he had been paid \$2000 an hour for his labours, tried to overturn the Rudd legislation (McAuley 2014 b). He had been Treasurer of the New South Wales (NSW) Liberal Party at the same time he was on the board of AWH. He had stood to gain a \$20 million success fee had a deal with the NSW Government gone through. Donations to the NSW Liberal Party made by AWH are currently under consideration by the Independent Commission Against Corruption (For further details see Seccombe 2014).

Asylum seekers

“As at 30 September 2013 there were 6,403 people held in immigration detention facilities and 3,241 in community detention in Australia (Human Rights Commission 2014 a).” Those who arrived by boat are mandatorily detained and held in detention centres on Christmas Island, mainland Australia, in a malaria-infested part of a Naval Base on Manus Island and on Nauru in the Pacific Ocean. Of those in detention under the last Labor government “As at 30 September 2013 the average period of time a person would spend in closed immigration detention was 115 days, but 106 people had been held in immigration detention for over 2 years (Human Right Commission 2014 a).” Of those in detention: “As at 31 December 2013 there were: 1,028 children in closed immigration detention facilities, and a further 1,637 children in community detention in Australia Human Right Commission 2014 b)”, many of them

unaccompanied minors. The Abbott Government insists that those on Manus who are found to be refugees will be resettled in Papua New Guinea even though the Papua New Guinea Prime Minister says that not all people found to be refugees will be resettled there. Australia has been putting pressure on the governments of the Solomon Islands and Cambodia to resettle those found to be refugees.

Those asylum seekers found to have passed Australian Security and Intelligence Organisation's (ASIO) checks and health checks are released into the community pending determination of their refugee status. An allowance is paid by the Red Cross and other voluntary bodies (the money for this comes from the government). The amount is far below any social security payment paid to citizens and is well below the poverty line.

Many asylum seekers languish for years behind the razor wire and those without an ASIO clearance are held in detention centres indefinitely. In line with the treatment meted out to Joseph K in Franz Kafka's *The Trial* they are not given access to the accusations against them.

Many asylum seekers are driven mad by their months or years behind the razor wire. Both Labor and Liberal governments in recent years have adopted similar policies towards asylum seekers arriving by boat. Scott Morrison, Immigration Minister in the conservative Abbott Government, has recently instituted a policy towing boat arriving in Australian waters back to Indonesia. In a particularly arrogant manner the Minister refuses to comment on what he terms "on water matters." (For a more in depth look at the current situation see Toohey (2014) "That Sinking Feeling: Asylum seekers and the Search for the Indonesian Solution", See also Corbett (2014) and Brett (2014).

The Abbott Government is planning to reintroduce Temporary Protection Visas (TPVs) for those living in Australia, who have not yet been found to be refugees. Those on TPVs, should they leave Australia, are prevented from returning, they are refused family reunion and can be returned to their country of nationality at any time the government decides it is safe for them to return. "The counterpoint to this approach is Sweden, where there is no mandatory detention of asylum seekers and where these days they are not just welcomed when they arrive, but encouraged to come, as are their families (Grant 2014)". Upon arriving in Sweden people are provided with a government lawyer, interviewed within weeks, a determination is made within 4 months and all the while people can either stay in government provided accommodation or (if they can afford it) live in the community. The Government provides a small allowance in either case. "If you get a permit you take your place in Sweden as an equal, with everybody else. Normally, after five years, you can get citizenship, if you have no criminal activities and pay your taxes (Grant 2014)."

On the 31st of March this year, Scott Morrison, the Minister of Immigration announced that (in relation to the 2,400 people detained on Manus and Nauru, those not yet processed on Christmas Island and in mainland detention facilities in Australia) the government would no longer pay lawyers previously contracted

to the Department to provide legal advice to any asylum seekers at a “saving” of \$25 million a year (ABC Breakfast 2014 b).

Racial Discrimination Act

In 2009, white supremacist radio, newspaper and television shock jock, Andrew Bolt, defamed 18 Aboriginal Australians in 2 separate articles by claiming: that you have to have black skin to consider yourself Indigenous, and that if you have light skin, you must be using your Aboriginality for self-interested reasons – is not greatly different to the sort of half-baked racialism that used to pervade Australian life (Eltham 2014 b).

Bolt was taken to court charged with offences under the Racial Discrimination Act. Section 18 C of the Racial Discrimination Act makes it unlawful to act if:

- (a) the act is reasonably likely, in all the circumstances, to offend, insult, humiliate or intimidate another person or a group of people; and
- (b) the act is done because of the race, colour or national or ethnic origin of the other person or of some or all of the people in the group.

The Bolt case has become such a *cause celebre* amongst the rich, white business racists who manage or own many of our leading companies that it has been taken up by the Institute of Public Affairs an ultra-right-wing think-tank that rich business owners largely fund.

This is what politics in Australia has come to. A powerful newspaper commentator racially vilifies a group of prominent Aboriginals... His article is scientifically ignorant, racially prejudiced and socially inflammatory. He also gets his facts wrong. When the subjects of his article sue, his defence of good faith collapses in court.

Three years later, the elected government of Australia decides to change the law to make sure that he could, if he chose, write that article again – and escape any legal sanction for racial vilification (Eltham 2014 b, See also Marr 2014).

The Attorney General George Brandis went so far as to claim in the Parliament, whilst introducing his exposure draft of the repeal of Section 18 C, that “people do have a right to be bigots.”

The Northern Territory Intervention

The last throw of the dice for the outgoing conservative Howard Government was to impose the Intervention on 73 Aboriginal communities in the Northern Territory ostensibly to safeguard Aboriginal children from sexual abuse or neglect and to protect women from being assaulted. The police and the army were sent into remote Aboriginal communities. The Government suspended the Racial Discrimination Act in order to quarantine half the social security payment made to Indigenous people. The amount quarantined was placed on a ‘Basics’ card that could only be used for approved purposes at certain stores and alcohol was banned from many communities (Altman and Hinkson 2007, Tomlinson 2007).

Labor came to power in 2007 promising to continue the Intervention for a year before reviewing it. A committee was set up, headed by Aboriginal leader, Peter Yu, that recommended winding back most of the compulsory aspects of the Intervention except where it could be proven that Indigenous people were incapable of handling money. Labor ignored the report. It has moved towards providing incentives for the use of a Basics card whilst allowing people to “request” they not be required to have a Basics card. At the same time the government has expanded the areas of the Northern Territory and elsewhere in Australia where Aboriginal and other ethnic groups are cajoled into a paternalistic administration of their social security. It has reinstated the Racial Discrimination Act and so cannot specify any particular ethnic group that is forced to participate. What it does instead is select geographical areas where particular ethnic groups predominate and legislate to force all residents of those areas to participate in its paternalistic form of social security.

Summary of themes

These themes were not selected at random, rather they stand out in any consideration of welfare which uses the yardstick of decency, humanity or tolerance of the other to evaluate Australian welfare practice. In evaluating such themes I will consider alternative policies, as was done in the case of Swedish refugee processing policy. I will look at the question of affordability of present policies in comparison to past policies against the backdrop of the *alleged* need for drastic austerity that is becoming the accepted wisdom in many developed English-speaking western countries.

Policies embraced by the two major political parties in Australia in the 21st century in relation to asylum seekers arriving by boat are more repressive, inhumane and indifferent to the suffering of those arriving on our shores than they were in the 19th century. The Abbott conservative Government is even more ruthless than the last Labor Government.

Since the invasion of Australia 226 years ago Indigenous Australians have suffered dispossession of much of their land, displacement, denigration, rape, murder and the theft of their children initially at the hands of the colonial authorities and the pastoralists and now at the hands of welfare officials, miners and police. The last punitive expedition, according to Professor Charles Rowley, occurred in the north of South Australia in 1942 (Rowley 1972 p. 204). The last intentional mass poisoning of Aborigines occurred in Alice Springs on the 28th of March 1981 (Brown 1981). No-one was charged with the murders. Aboriginal children are being disproportionately taken from their family and community in 2014. There are now more Indigenous children separated from their family and community than in 1997 when the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families brought down its findings (Briggs 2014, Pilger 2014). Aboriginal people die on average 17 years younger than other Australians.

There are a number of issues encountered when trying to calculate the age of death ratio between Indigenous and other Australians, however if one compares all non-Indigenous Australians with all Indigenous Australians one finds that there is a great disparity between them:

the United Nations has ranked Australia second behind Norway in its annual Human Development Index – for public health, social wealth, education, even happiness. But if Aboriginal peoples go stand-alone they would not be part of that 2nd rating – they would be 122nd (Georgatos 2013).

There are variations in the Indigenous median age of death in various parts of Australia:

In 2011, the median age at death for Indigenous men ranged from 50.3 years for those living in SA to 58.5 years for those living in NSW [1]. Levels were around 20 years less than those for non-Indigenous males, which ranged from 66.6 to 79.7 years. For Indigenous women, it ranged from 50.3 years for those living in SA to 66.2 years for those living in NSW. Levels were around 20 years less than those for non-Indigenous females, which ranged from 73.5 to 85.3 years (Australian Indigenous HealthInfoNet 2014).

Aboriginal prisoners constitute 27% of those in prisons whilst making up less than 3% of the total population. The Australian Bureau of Statistics (2013 b) figures reveal;

At 30 June 2013, there were 8,430 prisoners who identified as Aboriginal and Torres Strait Islander. This represented just over one quarter (27%) of the total prisoner population (30,775) and remained consistent with 2012. ... At 30 June 2013, the Northern Territory had the highest proportion of Aboriginal and Torres Strait Islander prisoners (86%). Victoria had the lowest proportion of Aboriginal and Torres Strait Islander prisoners (7%).

The Aboriginal population of the Northern Territory is in the order of 25 % of the population. The ratio for Indigenous / non-Indigenous locked up in juvenile detention centres are even more disproportionate:

As an Aboriginal adult you are 14 times more likely to be incarcerated. (Australia wide young Aborigines are 21 times more likely to be incarcerated than other Australians). Juveniles in Western Australia are 48 times more likely to be imprisoned than their white peers (Creative Spirits 2014).

Despite the findings of the Royal Commission into Aboriginal Deaths in Custody (1987-91) more Aboriginal people are dying in custody now than then simply because state and territory governments now incarcerate many more Indigenous people than in 1991. (In order to place some of these issues in context see Tomlinson 2003 Chapter 6)

We have recently heard the Attorney General declare that every one has the right to be a bigot whilst introducing the exposure bill to repeal essential parts of the Racial Discrimination Act. The conservative Howard Government suspended the Racial Discrimination Act entirely when it launched the NT Intervention.

Protection against racial discrimination cannot be guaranteed in Australia, as most non-whites understand. The paternalistic intervention in the Northern Territory into the lives of Aboriginal people legislated for by both Labor and conservative Commonwealth governments would not be tolerated by white working and middle class Australians but is deemed to be all right when enforced upon remote Aborigines and other racial minorities (Harris 2014, Pilger 2013).

The process of marginalising various sections of society which can in turn be denigrated – the unemployed called dole bludgers, disability pensioners become malingerers, single parents become welfare mums who brought their problems on themselves, the original owners of this land are converted into drunks and paedophiles, asylum seekers are called illegals and queue jumpers - has now turned round to bite the very people who engaged in maligning the disadvantaged. Commentators around the country are calling on the government to end “middle class welfare”. The values which neoliberal economics promote inspire envy and hatred of out-groups and undermine solidarity.

Monbiot (2013) points out that “the recent jump in unemployment in most developed countries – worse than in any previous recession of the past three decades – was preceded by the lowest level of wages as a share of GDP since the second world war.” The promise of neoliberal economics - that if governments would get out of the way and leave everything to the market then the rising tide would lift all boats and everyone would be better off - has failed to come true.

We'll all be ruined - welfare is unsustainable

The Australian Minister for Social Services, one Kevin Andrews, who (when he was a minister in the Howard Government) took away the right of people suffering a terminal illness in the Northern Territory to obtain voluntary euthanasia, notes that one in five Australians receives some form of government payment.

The minister described the level of welfare as “unsustainable” and “relentless” and said that more must be done to reduce the burden on the federal budget. He highlighted two areas for attention – the disability support pension, or DSP, and Newstart, the payment for the unemployed (Whiteford 2014 p 1).

Professor Peter Whiteford agrees that there have been considerable increases in both Disability Support Pensioners and New Start (unemployment) beneficiaries arguing that there are several reasons for this:

the proportion of people receiving welfare payments peaked at nearly one in four of the working-age population in 1996, before falling to one in six in 2008, just before the global financial crisis. After the GFC, the proportion of working-age people receiving benefits rose to 17.4 per cent in 2010, then started to fall again, reaching 16.9 per cent in 2012 – not quite back to the 2008 level, but the second lowest level in the past two decades (p4).

Whiteford argues that increases in the population as a whole, the raising of the age at which people can access the Age Pension, people of working age changing from one type of payment to another, government decisions to phase out some types of social security payments and changes to the labour market have all had significant effects. What can be concluded from Whiteford's analysis is that despite Minister Andrews' histrionics the number of people receiving government payments is neither "unsustainable" nor "relentless".

We need to remind our fellow Australians that, unlike much of Western Europe and North America, Australia emerged virtually unscathed from the recent global financial recession. Australia as a nation has very little government debt when compared with the rest of the OECD. Australian citizens on average have never been richer when compared with any other period of our history – yet it seems that we have never been more indifferent to the plight of our fellow citizens.

The last forty years of neoliberalism have resulted in massive increases in inequality, obscene wealth for a tiny few, but no greater happiness for the many. Falling union memberships and the slow erosion of organised labour as a politically powerful force has played a key role in the ascent of global capital. For the ordinary middle classes, aspiration has not brought happiness, and for an entire generation of young Australians, the ideal aspiration of owning a home is no longer possible anyway (Eltham 2014 c).

What's holding us back?

Whether one wants to follow Cunliffe & Erreygers (2004) back to 15th century Europe or Walter Van Trier's (1995) early 20th century Britain or Thomas Moore's 16th century *Utopia* or Thomas Paine's 1797 *Agrarian Revolution*, it is clear that the idea of Basic Income has a long and distinguished lineage. In my PhD (1989) I showed that ideological support for universal income guarantees could be identified in a broad range of classical political alignments from conservative and liberal, through social democrat and socialist to communist positions. Yet as Malcolm Torry (2014) points out "a constellation of ideas appears to be firmly lodged in the minds of politicians across a variety of cultures, including ours: that universal benefits make people lazy, even though the opposite has been shown to be the case, both in theory and in practice". Torry notes many politicians' attachment to means-testing despite its propensity "to be expensive, inefficient and prone to error and fraud". He points out that such politicians are attracted to using the family or household as the unit of payment rather than the individual even though prospects of "complexity, expense, error, and fraud" are increased.

In Australia, the preferential tax treatment of the privatised superannuation system has exacerbated inequality. The very rich get more from the government in foregone income tax contributions than do age pensioners. The more a person is able to invest in superannuation the greater the returns. Such a system always advantages those who are better off financially.

Political correspondent Ben Eltham (2014c) wrote “The growing intellectual and academic movement coalescing around the idea of inequality in recent years has yet to move into the mainstream. But the sudden respectability of once-loopy ideas such as a universal basic income shows how quickly the ground is shifting.”

In recent years, I have equivocated on the likelihood of a universal Basic Income being implemented in Australia (2012 a and b) but in mid 2014 feel that it will be at least a decade before the first steps will be taken in the direction of a truly universal income guarantee.

A universal Basic Income is a necessary first step

In the absence of a universal Basic Income Australia has become a far less egalitarian country than it was in the 1960s and 70s. Part-time, casual, and precarious employment is replacing full-time work. Many full-time employees are forced to work split shifts. Industrial protection is being eroded. Solidarity is weakened in such a dog-eat-dog world. Union membership is declining with only 17 per cent of the working age population being members of unions. The workers’ share of production is declining and owners’ profits are rising.

The number of Indigenous people jailed is rapidly increasing; the number of Indigenous children taken from their communities is skyrocketing. There is conflicting evidence available as to whether the health of Aboriginal people is improving or getting worse.

Asylum seekers, arriving by boat, are subjected to inhumane treatment.

At the last election in 2013, Abbott’s conservative coalition claimed, that it was on a unity ticket with Labor in supporting the national disability and Gonski educational reforms (ABC News 2013, Osborne 2014). Now in government... Yes you guessed it. The Abbott Government has watered down its support for both the increased educational spending and changed direction on other aspects of the educational reforms. It is delaying the introduction of the National Disability Insurance Scheme and altering some of the other previously agreed directions.

Australia’s Prime Minister on the 23rd of January 2014 in a speech to the World Economic Forum in Davos, Switzerland said, “No country has ever taxed or subsidised its way to prosperity.” Crikey (2014) scoffs at this statement by pointing out that:

Australia’s GDP per capita sits at around seventh in the world by most measures. Above it is Norway, which taxes at 50% and up, and equal or just below us — and lacking ours and Norway’s resources windfalls — are Denmark, Sweden and Finland, also 50%-plus taxers.

And those statistics are made more revealing when you look at estimated GDP per capita figures from 1900, where Australia sits at No. 2 (behind New Zealand), riding high on the sheep’s back. Sweden is 13th, Norway is 17th and Finland 20th. So we have gone down five or six places, while they have gone up, across a century in which they have applied consistently higher taxation.

The present Australian government has pledged itself to repeal the carbon tax and the mining tax on the urging of the big end of town. The repeal of the regulations relating to financial counselling which would have required financial counsellors to (amongst other things) act in the interest of their client are being foisted upon mum and dad investors by the big banks and the superannuation industry. The cut-backs, in the industrial and arbitration protection available to workers when coupled with the government's assault on the union movement are cheered on by the employer organisations.

The Treasurer's message about the "age of entitlement being over" is directed at those reliant on means-tested below-poverty-line social security, particularly those who are unemployed and single parents. The super-rich mining magnates will not be expected to take a haircut. Austerity will be something experienced by low paid workers and those already disadvantaged by the existing system of targeted, categorical and means-tested social security.

The conservative Abbott Government is very aware that "The less provision we can claim as a citizenship right, the more can be offered as propaganda, on the basis of some putative moral advantage (Seymour 2014)." How else could one explain the present government's desire to pay a \$75,000 maternity allowance to women earning \$150,000 a year whilst cutting below-poverty-benefits to lone parents and people who are unemployed. The present Australian government has effectively wedged the working class. Abbott delights in finding one sector of welfare recipients as morally superior to another.

Since the early 1990s governments have split off sections of the Australian working class intent on marginalising them from the main working class movement. Whilst workers fail to acknowledge solidarity with unemployed people and welfare recipients generally, ignore racial discrimination and refuse to uphold the human rights of asylum seekers, the power of the entire working class is weakened. We will not generate the groundswell necessary to lay the foundations on which to build a truly universal Basic Income. It will only be when the majority of the working and middle classes come to realise that the struggle for one is the struggle for all that the slogan "The workers united can never be defeated" will become a reality. Then we'll have a universal Basic Income.

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