

# PIBCI - Monthly Perspective

**October 2020**

## **We have options**

As public fatigue reaches new depths due to the implementation of stringent restrictions aimed at curbing the impact of Covid-19, our political and corporate leaders have been busy refining plans to usher in a new approach designed to secure their wealth and power into the coming months.

Instead of showing unity and bi-partisanship during the Covid-19 health crisis, our state and federal governments have lapsed into a game of petty political point scoring. Egged on by the corporate media, the power elite have been comfortable keeping the public in fear, cynical of politics and distracted from the game that's really being played behind the scenes. This media strategy is a potent mix designed to ensure that Australians continue to believe that there is no other way except for the one dished up by those in power. Under the cover of Covid, the governing class is shoring up its plans to deregulate the labour market, privatise what remains in public hands, and corporatise our way of life. With a frightened and fatigued public trying to hold on to a job, pay bills, and avoid infection, the corporate media's job has been made easy as it repeats the same messages aimed at softening us up for a renewed neoliberal assault. For those in power, they will be counting on a public that is unwilling to take responsibility for its future and inclined to be told what to do by the governing class that looks backwards to develop answers for an uncertain future. The Morrison government have been busy dusting off the neoliberal rule book and making some adjustments to the old strategy, all ready to be repackaged and presented to Australians in 2021.

What we do know is that under the glossy and wafer-thin packaging will be more of the same; the rancid old fare that we have been fed for the past four decades. At its kernel, the strategy remains the same; the state will continue to hand over its role and responsibilities to corporations through privatisation and outsourcing. As a consequence, the state is no longer meeting its full set of obligations to its citizens. With the pandemic on our doorstep, the watering down of the state's obligations have highlighted how little the state is doing for the public. It is time

to assess the social contract, and take action to reinstate the state's obligations to us, the public.

### The social contract

The social contract is a notional agreement that highlights the mutual obligations and rights in society between the state and its citizens. In essence, we, the people, have agreed to collectively surrender our individual freedoms to the state. In return, the state guarantees social order and sustainability. This notional agreement legitimates state power and provides citizens with the right to take away state power if it fails to guarantee the minimum conditions of a civilized life. Today's question revolves around how much responsibility has been divested by the state and handed over to corporations, all to the detriment of its citizens?

Following World War II, our society built more and more factories that needed workers to make cars, fridges, TV sets, look after the sick, answer telephones, and so on. The 'formula' that citizens were sold went along the lines of 'we will take care of you' while you 'do your bit'. The state established a broad network of schools that indoctrinated generations. Young people were trained to pay attention, follow instructions, be punctual and try hard (but not too hard). There was no expectation to be brilliant, to take big risks, be creative or to ask deep questions; being average and compliant was all that was expected to become a worker at one of the many kinds of factories that needed people. In return, the state would provide social services, infrastructure, law and order, health care and see you through to the end of your working career by providing a pension and aged care. Back then, the social contract was a nice package for the majority of Australians. This 'formula' presented a seductive bargain in a time when there was job security, endless employment opportunities, and sufficient social supports. All that was expected of a citizen was that you do your 9 to 5 job and keep your head down by complying with social and political expectations. For the more ambitious, you could even have a go at climbing the corporate ladder.

During the last four decades, an insidious change to the bargain had commenced. These changes were ushered in by successive governments that waved the neoliberal flag as they watered down their obligations to the public. Slowly but surely, the social contract became lopsided as the level of care afforded to

citizens evaporated as the state handed over its responsibilities to corporations via privatisation and outsourcing. Funding to public schools dropped followed by falling confidence in the public education system. As a consequence, parents of young children were forced to consider signing their children up to a private school, and pay exorbitant fees in the hope that their children get a good education so they have a chance in securing further education. Free university education has long given way to premium priced degrees. Passion to get a university education to open up young minds who will question and improve society has been replaced by an education 'pathway' designed to make our young people 'job ready.' Finishing university no longer gives young people optimism and a bright future. Today, a university education saddles them with debt as they face poor employment prospects once they enter the labour market. Job security is a thing of the past. The proletariat has been replaced by the precariat, as the gig economy takes hold placing people on precarious short-term contracts or casual work arrangements open to exploitation. Support from a union to ensure basic workers' rights have all but gone. Successive governments, Labor and Liberal, have conspired to weaken the union movement and by default, weaken workers' ability to bargain for a fair day's pay. Buying a slice of the Australian dream is now just that – a dream. Purchasing a home in a city close to employment and services is out of the reach of most Australians. Governments of all shades and colours have worked to wind back our Medicare, the envy of many western nations. Pensions have been phased out. In effect, the state has privatised old age by wiping its hands clean of the pension and replacing it with superannuation, which is at the mercy of the vicissitudes of the money markets. The state has effectively handed over aged care to the private sector. In summary, the state has watered down its responsibilities or handed them over to corporations whose foremost concern is making a profit.

The formula that that we have been trained to follow for decades is no longer valid. The days of getting a decent education, good and affordable health care, being supported by a strong union, and a secure job whilst you turn up on time day after day and follow the rules are gone. The reality is that the level of care and responsibility afforded to millions of Australians by the state is no longer adequate. The obligations citizens deserve under the social contract have been white-anted by successive governments. The triumph of the neoliberal ideology

has been to privatise the state's responsibilities by handing them over to the corporate sector – at premium price. What is left of the mighty state is a thin façade propped up by corporate interests that prioritise profits ahead of public needs. Meanwhile, we are trained to follow the formula and believe that we are being looked after.

The other side of the social contract; those freedoms the public has handed over in exchange for their welfare and security, are as entrenched as ever. Philosopher Pierre-Joseph Proudhon once said. “To be governed is to be watched, inspected, spied upon, directed, law-driven, numbered, regulated, enrolled, indoctrinated, preached at, controlled, checked, estimated, valued, censured, commanded... and so on.” In today's society such sentiments are ever so valid as the state refines and strengthens the surveillance of its population. The fact that Melbourne was subject to a curfew clearly highlights the lopsided nature of state power and individual freedoms.

### Neoliberalism – the fairy tale

Despite years of austerity in which we were bombarded by messages about the need to ‘tighten our belts’ and getting the budget ‘back in black,’ the Coalition government suddenly found ample capacity to provide financial support to many Australians who have lost their jobs due to the pandemic. During this time of crisis, the Morrison-led government easily found \$270 billion which has been locked in for defence spending over the next 10 years. As the Coalition government slices back JobKeeper payments, it is also moving to push through tax cuts for the rich on the basis that they will help stimulate the economy. Such tax cuts are poised to occur when Australian business has opted to invest more funds overseas than here at home. In effect, the Morrison government is cutting back social welfare payments to people who are most likely to spend the money here at home and directly into our economy. This government's pending tax gift to the rich makes little sense as the wealthy are unlikely to invest in Australia. Over the past few months, a sharp rise in luxury car sales has been taking place as sales of Mercedes, BMWs, Audis and Lexus have boomed. In short, the Morrison-led government is again, placing ideology ahead of good economic management. The message from the governing class to the Australian public is that the wealthiest individuals in our society do not need to pull their weight, as the

primacy of profit continues to set the rules in the halls of our federal and state parliaments. Meanwhile, the airwaves are awash with delusion that there is no other way than the neoliberal approach that is passed off as common sense. The reality is that this approach to running society is far from common sense. Moreover, Covid-19 has brought forward a number of festering issues which has shown that neoliberalism is seriously flawed and not sustainable.

### Response to Covid-19

The social contract encapsulates the state's obligations to its citizens that includes health and wellbeing of the public. With the spread of Covid-19, our government's response (both state and federal) have been found wanting. The decades of taxes that have been channelled to successive governments to plan and prepare for disasters (eg. floods, cyclones, bushfires, conflict, etc) seem to have missed pandemics. This is despite both past and recent history showing us that a pandemic was awaiting its turn. The relatively recent outbreaks of severe acute respiratory syndrome (SARS) and Middle East respiratory syndrome (MERS) were dress rehearsals for governments to take note, and prepare for a contagious health crisis. And yet, our state and federal governments have been making up the rules as they go as Covid-19 hit our shores. Furthermore, the four decades of neoliberalism has witnessed government after government hand over its responsibilities to the corporate sector. The essential services that were in public hands (eg. gas, electricity, airports, ports and so on) were sold off through the neoliberal drive to privatise public assets. As a consequence of the pandemic, the privatisation of aged care has demonstrated how ill-equipped the private sector is when looking after the elderly, and how dispassionate the federal government has been in its obligations to the public. The fact that the Victorian government turned to private security firms to manage hotel quarantine also highlights how reliant governments have become on the corporate sector. These are just a couple examples of the devastating consequences of privatisation and outsourcing that Covid-19 has forced us to take note of.

### Solutions & Disaster Proofing

We recognise that the future faces significant challenges which will require both a solid and equitable approach that serves the vast majority of Australians. We also recognise that part of the solution is to ensure the years of dismantling the social

contract comes to a halt, and Australians are given the confidence that they will be adequately supported through future challenges.

Our policy on Universal Basic Income (UBI) provides a solid framework designed to implement a contemporary approach to meeting economic, social and political challenges. The UBI offers a simple yet superior safety net for all citizens. Regardless of whether we face a pandemic, economic downturn, high unemployment, a conflict or other natural disaster, the UBI will be available to all citizens. A UBI will remove the stress and stigma that is associated with the everchanging schemes that the current government will foist upon people in need.

Our approach to financing a UBI is both simple and realistic. Funding the UBI would be based upon:

- 2% levy on tax payers to establish a pandemic levy. This will support a national pandemic response.
- 1% stock market turnover tax that would net \$1.5 trillion (based on the last financial year).
- 1% turnover tax for corporations who turnover more than \$2 million a year (this will net \$2 billion). Our objective is to ensure all corporations pull their weight by paying tax.
- 50% tax on resources. National resources belong to the native people. Currently, we give this away to corporations who heavily invest overseas.
- We will also seek to legislate Australian corporations invest at least 50% of their profits in Australia.

It is vital that we are able to disaster proof society by implementing a UBI that supports our citizens, and places the public's interest ahead of the corporate agenda that simply seeks profit at the expense of society.

### We have options

The corporate media has a stranglehold on a broad range of communications. Such media dominance allows the power elite to push the message that 'there is no other way' except for their way. The fact is, there are alternatives and PIBCI's suite of policies furnish a range of options that run counter to their political

agenda. Our policies are practical, fair and geared for the challenges ahead. We do not look backward for ideas that need to meet tomorrow's challenges.

If you are seeking a better and fairer society, join PIBCI today. With your support, you can help place PIBCI one step closer to setting the social and political agenda. Our objective is simple: to put the public's interests first. The past four decades have witnessed the state wipe its hands of its responsibilities to its citizens through the sale of public assets, privatisation and outsourcing its responsibilities to the corporate sector. As a consequence, this has weakened the social contract and exposed the public to the vagaries of financial markets, economic instability and a host of uncertainties in a world facing serious change.

If you want to control your future by taking it out of the hands of corporate elites and the governing class you simply need to get involved.

The future may look bleak, but it is not set in concrete. History is made by people, and with your support, we can create our own agenda and reclaim the future. We are the people we have been waiting for.

Join PIBCI and help us start that change. If you are a member, help us increase our membership so we can make change real.

**Anthony B – Website Editor**

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