

PIBCI - Monthly Perspective

November 2020

The Economy, Education and Real Options

Last month, the coalition government rolled out the 2020 Federal Budget, but let's call it WealthKeeper to keep it in sync with their current naming conventions. Predictably, the Morrison-led government opted to plough ahead with a classic neoliberal agenda that channels taxpayer dollars into the pockets of big business in the hope that it has a trickledown effect onto the rest of the population. The nature of this budget has sent a clear signal to the nation that corporate interests will continue to be put well ahead of public interests. Meanwhile, the ALP was forced to come out of the political wilderness with a budget reply. Despite the grand opportunity to hit the reset button and kick-off with a positive new agenda, the ALP did very little to distinguish itself as a credible opposition in a time of crisis, as its response to the budget lacked both vision and imagination. Again, the governing class has demonstrated that it feels comfortable to serve up more of the same. Through the so-called "values budget" the treasurer has delivered one clear message; the neoliberal ideology remains front and centre of its values, and it will not look beyond these narrow limits despite the crisis at hand.

As the consequences of the Federal Budget become a reality in the coming months, it is important to assess from whom the federal government aims to collect taxes, and where it decides to spend billions. Key to Australian society is how the economy will be positioned, and what will the impact be on education and employment as we head towards 2021. We also need to consider real and practical alternatives that can meet the historical challenges that are unfolding before us.

The economy is more than business

In essence, the Budget is the federal government's statement on where it will collect revenue, and who will receive the distribution of billions of tax dollars to kick the economy along. It is also about which groups will miss out and who will need to shell out to support the federal government's focus areas of

expenditure. Despite the federal government's pitch, the 2020 Budget it is not simply about keeping the economy 'healthy' by helping business to ticking along, encouraging jobs growth, stimulating confidence in the market and keeping the deficit down. The economy is a complex set of relations that is closely integrated with social, cultural and political aspects that impacts all of our lives, both directly and indirectly.

As the months count down to 2021, the Australian economy will face significant challenges including how to get the devastated Victorian economy off the ground. However, we are not unique in the sense that COVID-19 has had a shattering impact on many rich Western economies like our own. Given the scale of both the economic and social impact of COVID-19, the Coalition's budget lacks sufficient imagination and the necessary ideas to meet the challenge head on. Instead, it has pulled out the ideological road map drawn up by old-time neoliberal heavyweights such as Milton Friedman, Ronald Regan and Margaret Thatcher who once said "there is no society, only individuals and families." Instead of looking forward, it continues to look into the rear vision mirror for inspiration. In essence, the Federal Budget should be viewed as a colossal disappointment to the majority of Australians as it unashamedly consolidates the transfer of wealth to the rich, and further reinforces inequality. By bringing forward tax cuts to the wealthy topped up by another serving of corporate welfare, the coalition government has made its plans based on the assumption that business will do the right thing by all Australians. Clearly, the alliance between government and big business has been further reinforced at our expense. Decisions on revenue collection and expenditure are being made based on ideological lines that lack an evidence-based approach to policy making. Evidently, the coalition government focusses its support on the corporates rather than tackling real-world issues that impact the majority of Australians.

Amongst the wide range of gaps in the Federal Budget, several issues are of note. This budget lacks the focus and the necessary depth to tackle COVID-19. Its myopic view means that it places all its eggs in the single private sector basket. It has ramped up corporate welfare and tax cuts to the wealthy in the hope that big business will employ Australians, and the wealthy stimulate the

economy by spending up big. Clearly, such views lack credibility. The \$1.2 billion to be channelled to business to pay for apprentices raises the obvious question; why the high reliance on businesses to absorb workers, and pay for apprentices? Surely, there are other options and other avenues besides private businesses, such as supporting vocational training via established education providers. It has turned its back on those in need, particularly the hardest hit including women over the age of 50 and people at the bottom of economic scale. It has blatantly ignored those Australians who bore the brunt of COVID-19 such as childcare workers and cleaners, the majority of which are women in casualised work receiving low pay. The cash payment that will be channelled through businesses to employ people between 16-35 years of age excludes older workers. The pocketing of the one-time payment of \$500 to be split in two payments is a cynical attempt to buy pensioners' votes. In reality, such payments will rapidly disappear following a gas or electricity bill.

The coalition's view that people are sitting on their couches doing nothing has been reinforced by the substantial drop in JobSeeker payments and both the drop and foreshadowed discontinuation of JobKeeper in March. Put together, this punishes those in need and further entrenches inequality in our community.

Prospects for young Australians

The Federal Budget has left young people floundering by further limiting their options. With JobSeeker payments set to plunge and JobKeeper to come to an end, securing a job let alone a career will be a difficult challenge given the current state of employment. Instead of offering support to further education and develop skills during a crisis that has pushed the employment market into a historical low, younger Australians have been offered a miserable pathway that will lead to casual, low skilled, low paid and potentially exploitative jobs. Instead of strengthening our young people through further education, the federal government has reinforced its assault on higher education through its shake-up of university course fees which further disadvantages our young people.

Universities or Job Factories?

In a time of crisis when bold solutions are needed to support the community, our major political parties have continued to disappoint. This has been exemplified by the coalition government's shake-up of university fees. To put education into context, it is not just about developing skills or simply getting our young people 'job ready' as the Morrison-led government would have us believe. Education is about empowering young minds, sparking their imagination, exposing them to how power operates, and learning how ideas can be applied to develop the future – their future. Education is also about opening up new ways of seeing and making society a better place by giving our young people a sense of agency. In many ways, a university education is an education for the future and how they can make it possible.

Universities have traditionally been sites of vigorous political and cultural debate about what is the best way forward for society? How life can be improved? And so on. During the past forty years, the neoliberals have worked tirelessly to undermine alternative views about how to govern society. On the one flank, universities have been infiltrated by neoliberal views which have effectively squeezed out or marginalised alternative views on economics, politics and social policy. On the other flank, successive governments have gradually hollowed-out our universities. They have dismantled our sites of learning and critical thinking and turned them into job factories designed to pump out compliant young workers that are 'job ready' for corporations to absorb.

Following the deal struck with the Centre Alliance, the coalition government has been given the green light to further impose their neoliberal template onto our universities by imposing the shake-up of university fees which will place Humanities courses out of the reach of many young Australians. Humanities courses are unique, they teach young people to explore how society operates, they arm them with critical thinking, they review our achievements and mistakes through history, they analyse the concept of power, they pull apart culture, governance and power relationships and open our eyes to alternatives. This is the degree that many young Australians study, particularly from poorer backgrounds. The coalition's agenda through the university fees

shake-up now doubles the fees for Humanities, putting them in the highest price band alongside law and commerce. The deep changes apply the carrot and stick approach aimed at prompting young Australians entering university to take up cheaper health care, science and technology, education and construction courses. Frankly, how many students take into consideration the price of a degree? How do you ask a student to put a price on their passion? How many students that are not interested or good in science and technology will opt to take up a cheaper degree in these areas? Despite reducing fees for such subjects, the coalition is poised to effectively reduce financial support for university places. This translates to a reduction in funding to universities for subjects that specifically require contemporary specialist equipment and costly maintenance. Ultimately, the reduced financial support to universities amid a huge collapse in overseas student numbers due to COVID-19 has placed a significant burden on flagging universities, which ultimately will impact the quality and capacity of teaching for students.

Given this pivotal moment in history brought about by COVID-19, one can only think that supporting universities and promoting university education while the economy is faltering is the smart option. However, this approach is another attempt at further dismantling the social contract, as the governing class continues to hand over their responsibilities to the private sector.

This policy direction is further proof that the federal government is turning its back on our young people and collapsing higher education into job factories.

Thinking outside of the neoliberal box

Our government's reliance on the private sector highlights the primary gap in our economy. The lack of alternatives to the private sector has been growing for over the past four decades as government after government have hollowed out the public sector. Due to this neoliberal approach, we no longer have options that a truly mixed economy offers. To resolve this problem, the dominance of the private sector needs to be challenged by incorporating alternative sectors into the economy. Key to developing alternatives is expanding our economy by re-establishing and strengthening the public sector. Furthermore, developing a collective and co-operative sector will facilitate new

avenues for employment and provide citizens with opportunities to develop skills, secure employment and careers. The net result would be a strong and diverse economy better able to weather national and global challenges.

To complement a mixed economy, it is vital that citizens are supported during times of crisis, regardless of their nature. Implementing a Universal Basic Income (UBI) is central to providing citizens with a solid safety net during challenging times both personally and nationally, including an economic downturn, unemployment, conflict or a national or regional disaster. Unlike the everchanging nature of government schemes such as JobSeeker and JobKeeper, a UBI will be available to all eligible citizens of age. It will also remove the stress and stigma of welfare dependence that governments and mainstream media focus upon to feed their narrow agendas.

Establishing a collectives and co-operatives sector and implementing a UBI will require significant financial support. Initiating two forms of strategically directed taxes will be essential to funding the above initiatives. Furthermore, such taxes will be aimed at large multinational corporations that currently engage in 'voluntary taxation.' We seek to implement:

- 1% stock market turnover tax that would net \$150 billion.
- 1% financial transaction tax for corporations who turnover more than \$2 million a year (this will net over \$250 billion p.a.)

Such initiatives will raise approximately \$400 billion, ensuring that large corporations begin to pull their weight by putting much needed funds back into the community in areas that are needed to support our citizens and both diversify and strengthen our economy.

We have options

The global pandemic has foisted upon us the greatest economic crisis in a generation. This is a pivotal moment in history which requires pragmatism, bold thinking and imagination that extends beyond the narrow confines of the neoliberal thought bubble. It is vital that all of our society's resources are dedicated to ensuring public health remains the primary focus. With this in

mind, it is also necessary to develop solutions that support our community more broadly. What is evident is that the major political parties' lack of imagination highlights that they are trapped within the narrow boundaries of the neoliberal sandpit. Their limited set of values undermines the need to look further afield for solutions instead of resorting to the private sector as a solution for all society's problems and challenges. Clearly, channelling funds into the coffers of large corporations is no guarantee to stimulate the economy. The myopic view that tax cuts for the wealthy will stimulate spending again proves the short-sightedness of those in power. The 2020 Federal Budget which should have been a roadmap for improving the lives of all Australians, particularly those hardest hit is merely a blueprint for exacerbating inequality in our society as it blatantly details the transfer of wealth to the rich.

If you are tired of waiting for the major political parties to make real-life improvements for the majority of Australians, then it's time to join PIBCI. We are at a critical juncture, and we need your support today so we can register as a political party ahead of the next federal election. Therefore, we seek your support and the support of your family and friends to help us challenge the duopoly of political parties.

Despite what the corporate owned media would have us believe, the future is not fixed. There are alternatives and we have real options. By joining today, we can work together to reclaim our future.

Anthony B – Website Editor
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