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The politics of conscience

JCPML Anniversary Lecture presented by Senator Natasha Stott Despoja on 5 July 2000.

Thank-you for that generous introduction, and to the John Curtin Prime Ministerial Library for inviting me to give the 55th John Curtin Anniversary Lecture. I am honoured to be among the few non-Labor figures to give this Lecture.

I would like to acknowledge the Noongar people, the traditional owners of this land.

Before commencing my Lecture this evening, I would like to pay tribute to wartime nurse, Sister Vivian Bullwinkel, who died yesterday here in Perth at the age of 84.

She was the sole survivor of the Banka Island massacre, which followed the sinking of the Vyner Brooke as it evacuated civilians and Australian nurses from Singapore in 1942. More than 20 nurses struggled ashore at Radji Beach, where Japanese soldiers ordered them into the sea and shot them.

Sister Bullwinkel, who was shot above the hip, was the only survivor. She feigned death, then hid in the jungle for 12 days before surrendering to the Japanese and spending three and-a-half years as a prisoner of war.

Although he never saw battle, John Curtin is considered by many as one of Australia's wartime heroes. Asked to name Australia's greatest Prime Minister, many Australians will pick John Curtin. Like Roosevelt and Churchill, he has earned the special respect accorded wartime leaders.

But perhaps more than any other western wartime leader, he bore the strain of a man leading a country still finding its way towards an independent identity, and was

instrumental in not only saving Australia from invasion, but also in providing it with a vision.

The burden of leadership bore heavily upon him, but his legacy was a nation more ready to assert its interests on the international stage, and to find its own solutions to social and economic problems.

In titling this speech, 'The Politics of Conscience', I would like to contrast Curtin's leadership of the nation – based on strong ideals and an equally strong desire to lead Australia in a new direction, with the politics of today.

Australia's national development can be divided into three stages. The first, is Federation – the remarkable unification of the colonies into a single nation. The second, is the development of an independent identity – the move from being a British colony to a Commonwealth (although sadly, not yet a republic). The third, which we are currently negotiating, is the shift from a national perspective to a re-appraisal of our role in an increasingly global world.

John Curtin lived through the first two of these stages. His biographers detail how young John Curtin accompanied his father to the debates on Federation. He was later instrumental in making the first significant shift towards independent Statehood in his dealings with Britain during the Second World War, where he famously placed Australia's interests before those of the Mother Country, and looked to the United States to protect those interests.

In leadership, he was guided by the strong idealism he had developed during his youth, largely on the banks of the Yarra – which he later referred to as his 'university'. He was a man of great conscience, noted for the depth of consideration he gave to every decision.

He was a pacifist leading Australia during a war: a more difficult situation it is hard to imagine. He was a man who had spent time in jail during his youth in opposition to conscription, yet who introduced it when Prime Minister.

His comprehensive program of social reform, designed to bring about the social equity he had passionately advocated as a soapbox orator, and had joined the Labor Party to promote, was largely implemented after his death.

His introduction of these changes can be viewed as the consequence of trust in his leadership, and the widely held perception that he was a 'man of the people'. He eschewed Government cars, preferring the tram, was not given to high living in the Lodge, and communicated regularly with the Australian people through radio addresses.

His conscience and idealism, together with his ability to connect with the Australian people, and inspire their trust, enabled him to lead through this time of immense upheaval, and set the way for post-war reconstruction, cohesion and prosperity.

Throughout the Allied nations, national unity in the face of external threat bound societies together through times of immense hardship. It is difficult to imagine life under those circumstances, but perhaps easier to draw a contrast with politics and society today.

John Curtin was known as a man of conscience, and a great leader. His leadership was based on consultation with the electorate, development of a dialogue and trust in political institutions and politicians, particularly in times of change and uncertainty. He understood people want to believe their leaders understand the weight and consequences of their office and the decisions they make.

This style of leadership holds lessons for today's politics, as Australia negotiates profound challenges and changes in a climate of declining trust in political institutions. The politics of conscience offer a means of restoring faith in the political process, and of reassuring people through times of change.

This change has been referred to by Frances Fukuyama as the 'Great Disruption' – the renegotiation of communication, communities, identities and roles. It encompasses:

The move from an industrial society to an information, or knowledge-based one;
The move from an international world of independent nation-states and distinct cultures and societies, to an interlinked, interdependent, global one; and
The resurgence of inequity – both within societies and between nations and regions.
The move from an industrial society to an information society is based on a technological revolution which has not only revolutionised communications and industry, but also the very definition of life.

New technologies have fundamentally altered production and trade, creating greater productivity, but also redundancies in many areas of employment.

At the same time technologies are facilitating new job opportunities for traditional skills, new applications in new markets. One issue, very close to my heart is the Captioning of television services for the deaf community. An issue the Parliament was reminded of when the Senate debated the Broadcasting Services (Digital Television) Bill 2000.

It was argued by some that it would be unfeasible to require captioning of all news and current affairs programs and pieces, especially live to air broadcasts in rural areas. I suggest that it is with satellite technology and services we can employ court reporters and perhaps those with Hansard independently of their geographic location.

A democracy cannot afford to leave the sizeable minority of hearing impaired people out of its deliberations and means of conveying information.

It is such technologies which are opening up new opportunities for regional and rural communities across Australia, helping online small business e-traders overcome the tyranny of distance.

The globalisation of the economy, information, commerce and capital has the potential to enhance development and social cohesion, but also to increase divisions, within societies and between nations and regions.

Unfortunately, the latter trend has been more evident over the past decades.

In meeting the challenges posed by these, we need new policy responses.

In a political and social climate of rapid change, we must develop the new institutions and approaches that can respond to human needs as readily as to new economic and technological developments.

On issues such as regulation of biotechnology or the Internet, our political institutions are failing to grapple with the legislative reforms required to ensure the interests of the Australian community are best represented and served. The regulation of online gambling is another area where Parliament is being forced to contend with the impact of new technologies.

In renegotiating our role in a global context, we must have a sure sense of our own identity. The Republican debate is an important part of this process. Last year, the Federal Government successfully routed the referendum on a Republic, playing Republicans off against one another to deny Australians the chance to start the 21st century as a proudly independent nation. I believe Australia will become a Republic, it is unfortunate we are not already one.

In introducing reforms, we must protect and provide for those least able to keep up with the pace of change, and least likely to benefit.

The divide between haves and have-nots continues to grow, with policies which entrench privilege and advantage being enacted and measures to address poverty and increase access to opportunities cut.

If we are to come up with real solutions to the challenges which confront us, political debate needs to be about more than winning marginal electorates.

There is a need for the vision, meaning, and conscience espoused by John Curtin.

All too often, Australian politics follows the lead set by American politics and policy – be it Lee Atwater's 'wedge politics' in the approach to reconciliation and an apology to the Stolen Generation, or Dick Morris' 'triangulation' – drawing together the traditional policies of Left and Right movements to appeal to a carefully-polled centre.

This is politics without conscience.

Dick Morris was the close confidant and adviser of Bill Clinton who polled the Arkansas electorate in the 1970s and advised Clinton to run for Governor. At various points in Clinton's career, he has been squirreled back to Clinton's side to poll various electorates and save Clinton's political bacon by working out how to best package and distribute pork.

According to Clinton's close political adviser, liberal George Stephanopoulos, 'Dick was missing a gene. He literally knew no shame'.

Despite his close relationship with Clinton, Morris was prepared to work his poll magic for anyone – including right-wing Republican Senator Jesse Helms.

Under the direction of "Charlie" – Dick Morris' codename to keep his presence a secret from other White House staff – Bill Clinton moved a long way from the liberal agenda he swept to office on. Following Morris' strategy of triangulation, pinched popular Republican policies, cutting welfare support, getting tougher on crime, and balanced the Budget, policies Democrats had long opposed.

In Australia, the biggest advocate of triangulation is the Labor Member for Werriwa, Mark Latham. He has described Dick Morris as a "political genius", and strongly advocates his "dazzling insights", saying "He makes the rest of us look like flim-flam on the atlas of public life."

This support is in stark contrast to the White House, which has put so much distance between itself and Dick Morris, that White House Spokesman Michael McCurry has since dismissed Morris as 'part of some other planetary system'.

The problem with triangulation is that it is not about taking the best policy solutions from either side to address problems, but about polling voters, and finding out which policies they like best and going with them because they're more likely to win votes.

It bankrupts the policy process and stifles real debate. It says vision and ideals are irrelevant to getting elected.

Left-wing, progressive politics are constantly forced to give way to centrist politics as the lesser of the two evils of Centre and Right politics.

Under 'New Labour' in Britain, the most progressive the Government has been over the past year was when Chancellor Gordon Brown championed the cause of a comprehensive student denied a place at Oxford. The upshot of the furure over this issue? She was offered a place at Harvard and Oxford decided it would not confer an honorary doctorate on Tony Blair, after all. Plus ca change.

As commentator Christopher Hitchens puts it – the Right gets the action, the Left the rhetoric.

In an appreciation of triangulation and the Third Way published by Mark Latham in the Financial Review last year, he cites the ALP capitulation on youth wages as an example of 'sensible' policy-making, and a 'cross-over' policy which the ALP will need more of if it is to achieve political credibility.

This was a move as controversial as support for Work for the Dole, and raised real questions about the direction of progressive politics in this country.

Like the current debate over Fair Trade, unions and progressive voters are being told their opinion is irrelevant, though valid, because it cannot be sold to 'middle Australian' marginal electorates.

Included in the items on his new 'cross-over' agenda, are expanded household share ownership, welfare reform and intense competition policy.

Hardly the policy proposals you might expect from the member for Werriwa, Gough Whitlam's old electorate.

One of my earliest memories is being hoisted upon my father's shoulders at a Whitlam rally in the 1970s. So much of the Whitlam agenda was about leading Australians with a bold vision of a strong, equitable society. I was inspired to go into politics by that sort of vision.

Whitlam's commitment to making higher education universally accessible through the abolition was inspiring to me. He opened up our tertiary institutions, challenging privilege. I still advocate the need to maintain this commitment to equity.

Like John Curtin before him, who introduced the Commonwealth Scholarships scheme in the first Government efforts to make higher education more accessible, Whitlam recognised the importance of education as a determinant of opportunity for individuals, and to the future prosperity of Australia as a whole.

This vision has been sacrificed in the prioritisation of economic efficiency over equity. Policy-making is short-term and narrow in its focus. A clear example of this has been the failure of the Coalition Government to make a commitment to encouraging innovation through incentives for research and development.

Business R & D rose every year of the R & D tax concession, to 1996-7, and has fallen every year since. The OECD has now rated Australia as 20th out of 29 countries in terms of business investment in R & D. This is the clearest case of cause and effect policy making in recent history.

The Minister for Industry, Senator Minchin, now says companies are chasing profits rather than innovation. This is not surprising, given that the deduction for R & D has fallen from 150% to 125%, and the tax on profits has been cut from 36% to 30%. Those tax changes have told Australian businesses that profits are good and innovation is bad.

This is just one example of short-term policy-making which is undermining our long-term potential and prosperity.

Political parties shy away from setting goals, for fear of being held accountable for failure. This is irresponsible.

The consequences have been growing earnings inequalities, declining working conditions – increased casualisation of labour, reduced workplace protection, longer and less predictable working hours and greater stress, growing regional disparities in

jobs, incomes and services, and deterioration in many parts of our social infrastructure (hospitals, schools, community services and public transport).

Under economic liberalism, governments have tied fiscal and monetary policy solely to medium-term targets such as cash surpluses, public debt reduction, lower taxation and very low inflation.

This not only has had negative effects on the ability to achieve equity goals, but also limits the Governments' ability to exert influence in an area where it has a comparative advantage over markets.

Under neo-liberalism, we are moving towards invisible government, ceding domestic authority to the private sector, and to international regulation at the global level.

In Australia, the Minister Assisting the Prime Minister for the Public Service, Dr David Kemp, reportedly believes that if he opens the Yellow Pages and finds a provider of a service that the Government provides, the Government should withdraw. He has applied this theory to employment services, the Public Service and is in the process of introducing it to the Higher Education sector.

No wonder so many believe the nation state is becoming irrelevant in the global context. The diminution in Government responsibility leaves people feeling vulnerable, and wondering who will represent them and their interests. In its World Labour Report 2000, released last month, the International Labour Organisation Director-General, Juan Somavia warned 'Societies which do not pay enough attention to security, especially the security of their weaker members, eventually suffer a destructive backlash'.

Corporations are generally not in the business of protecting democratic rights and interests, and can be especially bad at protecting the interests of minorities or disadvantaged groups, thereby widening inequities.

Big business has replaced unions as the perceived major cause of Australia's unemployment woes. Roy Morgan Research released in November 1998 showed half

of all shareholders surveyed said executive salaries over \$1 million were never justified.

Of the 1900 respondents, 26 percent blamed large corporations and 18 percent blamed the current government of unemployment. Only 13 percent blamed unions.

61 percent of shareholders said they would prefer lower dividends with a larger workforce to the opposite. A 'good' company was one that respected and looked after its employees, according to 34 percent of respondents. Only 17 percent said a good company was one that looked after shareholders and had good returns.

Australia has taken the idea of a market economy one step further than most nations, with the Prime Minister, John Howard, proudly proclaiming us the largest shareholding democracy in the world.

Of course, in the wake of the dot.com stock crash, and lower-than expected telstra2 share prices, many Australians may be asking themselves if being a shareholding democracy is so desirable, after all, particularly when everyone used to 'own shares' in public utilities, from decades of public investment.

The much-vaunted move to a 'market society' has been all about pandering to free-market economics in a conflation of democracy and user-choice ideology.

But inequalities in income and living standards are widening. Although falling unemployment has slightly improved the prospects of Australia's poor, the disparity continues to grow as executive salaries continue to soar.

Australian Bureau of Statistics figures released yesterday revealed that the poorest Australians are worse off today than they were in 1985, while the richest one percent have increased their earnings by more than 30 percent.

The top ten percent now earn 1.7 times more than average income earners, while the poorest ten percent earn less than two-thirds of average income. The gap between the poorest 10 per cent and average wage earners widened by 9.7 percent between 1985 and 1998.

This has led to what has been described by Anthony Giddens as a “winner –takes-all” society, where those who succeed, really succeed. Those who are benefiting from economic growth take the lion’s share of it, distorting any real ‘trickle-down’ effect.

Those left behind are further disempowered through regular messages that their lack of economic success is their own fault – that if they were more motivated, they too would be enjoying economic prosperity.

But those at the top are also helping to entrench the disparity, benefiting from access to private education and healthcare. Increasingly the challenge for policy-makers is to devise a society which gets the right people into the right jobs and rewards talent and effort without creating too many social divisions and without permitting the privileged to entrench their advantage.

Since the early 1980s, Australia increased its Gini coefficient (the measure of economic disparity within a society) by about 2-3 points to 7. This makes us one of the less equitable OECD nations.

Studies show inequality is detrimental to long-term growth. Large inequalities make it hard for the disadvantaged to access transport, housing and education. They create social disharmony, which undermines investment planning and confidence. A winner takes all approach to economic reform produces resistance to future structural change and reform.

In order to achieve their economic outcomes, the Coalition Government has reduced the wages of unskilled and skilled workers, reduced eligibility of benefits and their levels, reduced flexibility of trade unions, weakened workers’ rights and standards (health and safety, unfair dismissals, equal opportunity and discrimination), lowered the product protection available to consumers, and allowed business more freedom in polluting the environment.

This may have given us a healthy bottom line in a budget surplus, but an unhealthy society.

Employment is now the key means of social participation, yet this participation is becoming increasingly tenuous for many Australians.

A recent Morgan & Banks survey predicted that half of Australia's workforce will be working in casual jobs within 10-15 years. Up to 30% of jobs currently being created in Australia are for casual workers.

ABS figures also reveal an extraordinary increase in the growth of part-time work. From 16 % of the workforce in 1980 to 26% now. Between August 1990 and December 1998, full-time jobs grew by just 169,000, or 27%, but part-time jobs grew by 542,000, or 33% – making up 3 of every 4 new jobs.

The majority of casual workers are employed in low-paid jobs, whether full-time or part-time, and 40% receive no superannuation, leave or other benefits. These figures explode the myth of the consultant living a flexible lifestyle of his or her suiting.

Alison McClelland, Deputy Director of the Brotherhood of St Laurence has detailed the effects of this trend:

“[Casual workers] tend to lose that sense of community you get from sharing a working life with other people. And the figures we're seeing show that people in casual work or more often unemployed than people who move between permanent jobs.”

This sense of community, which must be part of any strategy to address social inequity, is essentially the concept of mutual obligation that has been so misappropriated in this country. Instead of growing a culture of this ethic, the Federal Government believes it must be forced. Instead of trusting a community which every year turns out in droves to participate in Clean up Australia Day, the Government forces jobseekers into the pointless drudgery of Work for the Dole.

Yesterday's announcement that the Government was considering directing long-term unemployed people to do army service for 6 months is another example poor labour market policy-making. Long-term unemployed people are generally out of work for reasons more complex than a lack of local employment. Targeted Intensive

Assistance is more appropriate than a stint in the army. It may sound like a neat solution, and is a nifty soundbite, but it's unlikely to address problems such as illiteracy, lack of skills appropriate to the local labour market, or psychological problems.

Work for the Dole is the clearest example of poll-driven policy-making in this country. It is a useless labour market program. It does not provide training, it does not create employment, it does not provide any accreditation to participants. It sucks up millions of dollars of public funding which would be better directed to initiatives which provide training and opportunities.

The only reason Work for the Dole exists is because polls show it is popular with 'middle Australia'. This is also the reason why the Labor Party supported it.

Mutual obligation in this country is too much about the threat of abandonment if a range of strict activity and compliance measures are not adhered to. No-one should be cut off, even if they refuse to participate in prescribed activities. The sense of community and social cohesion cannot be developed in an atmosphere of downward envy so enthusiastically promoted by the Federal Government.

A community has a moral responsibility to provide a safety net. The Federal Government has foreshadowed enabling greater community autonomy through its Stronger Communities scheme. However, it has also shifted the burden for caring for those in need to the charity, volunteer and community sector. Government should support the growth of closer communities, but not so they can bear the burden of responsibilities which are the duty of the state.

Strong communities have lower rates of juvenile crime, and less alcohol and drug abuse. The creation of vibrant communities requires strong local infrastructure – schools, post offices, banks and shops.

Our goal should be to create a sustainable model of an information society, in social, economic, environmental, and human terms.

This means being prepared to consider maintaining a modest deficit for the sake of achieving social cohesion.

Even after an increase in Government spending, by 1995, Australia still had the lowest level of General Government spending as a percentage of GDP in the OECD.

We need a more flexible approach to budget and public debt management, and to make social and quality of life goals part of policy-making.

Foremost among these goals must be the goal of full employment. Achieving this goal will require more public investment in human capital, be it education and training, or targeted labour market assistance. A bigger role for government is required if structural unemployment is to be corrected.

There is no reason why a combination of moderately flexible labour markets, strong welfare and worker protection systems and active labour market programs cannot perform as well in reducing unemployment as wage deregulation and welfare cuts. And in spreading the cost across society as a whole, we are not entrenching the disadvantage of the people we are meant to be assisting.

Investment in training, education and targeted labour market assistance is an investment in reducing future welfare costs. It pays for itself in the long run and increases social cohesion.

If children from poorer areas participate less in higher education than their abilities would allow, this is a failure to accumulate human capital, involving a cost to society, as well as perpetuating inequity. Privatised education, be it primary, secondary or tertiary, restricts quality to those who can afford it, denying those most in need.

In any review of welfare, we must remember those who will continue to remain outside the labour market. Compassion must be a component of any new measures to address social exclusion, not just coercion.

Even if the Government's labour market programs were successful beyond Minister Tony Abbott's wildest dreams (or perhaps even as successful as the government

claims them to be), the number of unemployed people will remain in the hundreds of thousands.

With unemployment still high after sustained economic growth, can the Government really expect that all its various projects for education, training, advice and guidance will get all unemployed back to work?

The American experience has shown that no matter how harsh the sticks or how succulent the carrots, many unemployed will not find work, and in our casualised workplaces, many of those who do will only work sporadically.

The removal of disincentives to work is vital, and the Australian Democrats will continue to target poverty traps in economic reform. And we do not argue against the proposition that secure employment is the best way out of poverty to a stable existence, and social participation. But the fact remains that this route is not available to all, and it is the very weakest who tend to be excluded.

We must ensure that their alienation is not exacerbated by our growing tendency to blame and punish the unemployed for their lack of work.

John Curtin died before he was able to see his vision of Australia through. His wide-ranging social and economic reforms were the first attempt by Government in this country to address the divide between rich and poor. But his conviction that addressing inequity should be the priority of governments is as relevant to Australia today as it was 55 years ago.