Don’t get Despondent about Dependency.
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Some people in Australia are concerned about dependency. Dependency is a particular painful brain condition that can only be contracted by those who believe in targeting welfare benefits.

The usual justification for targeting is that it directs the greatest assistance to those in greatest need. Claims are then made that being in need justifies the payment of assistance and that need also explains the basis on which aid is given. One assumption attached to such an analysis is the idea that the amount of assistance provided actually meets the recipient’s needs. The argument is more than a little circular and less than convincing yet it has been used in Australia at least since 1908 as a justification for paying income support.

Targeted welfare is a mid-point in Australian welfare debates, positioned between two diametrically opposed views listed below. The main claim of the targeted welfare state was that it assisted all in need through no fault of their own. This qualification on eligibility for assistance has a long lineage stretching as far back as the 16th Century Elizabethan Poor Laws. Someone has to adjudicate, in order to apportion blame or righteousness to the applicants for assistance. The discretion exercised, at least on the boundaries, is fraught with uncertainty and imprecision (with regard to the application of the deserving template). Some, in almost identical situations, are more capable of articulating their worthiness than are others.

If you don't believe in targeting you have two main choices.

- Firstly you could, reject the idea of paying income support to anyone on the basis that if they can’t support themselves they are a drain on the rest of us and that if you pander to such people it could drag the rest of us down to their level. Adherents of this view do not support targeted welfare because they claim it leads people to distort their circumstances so as to fit in with need definitions in order to obtain benefit. They claim that providing unemployed people with income support encourages them to delay seeking work. That is, it rewards the dreaded dependency. People attracted to this view, tend since the 16th Century to accept that leaving people at the crossroads to starve to death is no longer regarded as good form. In short though the position may have some utopian intellectual appeal but it has no practical use. I find this amusing because the every essence of this abolish assistance proposition is a demand that all people have utility.
- Secondly you could, make all income support universally available.

Supporters of the abolish assistance position and of targeting claim that universal welfare is too expensive. They also suggest that universal provision is inefficient because it provides assistance to many who are not in need. Those attached to the abolish assistance position sometimes argue that universalism creates the worst form of moral jeopardy because it ushers in the nanny state confining all, irrespective of their means to a state of dependency.
Supporters of universalism claim that their system at least ensures that no one in financial need is denied, at least, the opportunity to survive. No-one is dependent because those who have no income (apart from the universal income guarantee) are simply asserting their rights as permanent residents. The income support they receive is identical to that which all other permanent residents receive. In this way universal policies are the epitome of an inclusive social policy. Universalists point out that because there are no means tests there are no poverty traps and no financial disincentives to discouraging engagement in paid work. There is no invasion of people’s privacy and no compulsion. Universalists generally claim that an income guarantee is affordable on three grounds.

- Firstly, the amount of income support likely to be paid is about a survival level - in Australia it is likely that the rate of assistance would be about the Henderson Poverty Line.
- Secondly, the payment of a universal payment ensures that all in financial need are provided with a minimum level of income. Which is surely the base promise of the existing welfare system which claims it assists all in need though sometimes with the qualification that the need has to come into existence “through no fault of their own”.
- Thirdly the provision of a sustaining universal payment ensures the community avoids the flow on costs which accrue in any society which marginalises some of its permanent residents by relegating them to an impoverished existence.

Supporters of universalism suggest governments require only the taxation system to tax those whose income levels are such that they don’t need the assistance. Such a system does away with the confusing and inefficient dual taxation and social security means testing withdrawal rates.

Dependency, so it would appear, if one were to follow much of the welfare dependency rhetoric emanating from both Labor and Coalition Ministers since 1986, can only occur amongst the poor.

But if the government was really concerned about the most pressing dependency issues that confronts our economy then it would turn its attention towards the:

- $14 billion annual hand-out from the Government to industry to subsidise its research and product development,
- tax breaks and other inducements to assistance industry,
- provision of transport and other infrastructure to assist industry,
- government’s attempts to limit workers’ wage rises to assist industry,
- provision of police to help smash union pickets to assist industry,
- tax breaks and other inducements to assist industry,
- refusal to lower the level of unemployment though job creation, reduced working hours, etc. which allows industry to maintain (at no cost to industry) a reserve army of labour,
- $3 billion annual subsidy to the private health insurance industry, and
- dependency of the insurance industry, whose extreme dependence on the superannuation contributions of Australian workers amounts to an intense addiction.
A failure of trust helps explain the absence of universal income guarantees; dependency rhetoric is just a mystification.

The reason we haven't got an income guarantee is very simple. In Darwin I sat at the feet of a long-term unemployed person, a wise man called Strider, who told me that the reason the government refuse to have a universal income guarantee is because it suffers a lack of faith in Australian people. Strider says that governments believe the unemployed "wouldn't work in an iron lung". There is no evidence that supports such conclusions about Australian people who are confined to the reserve army of labour. People don't want to work in dangerous jobs, or in situations where they are sexually harassed, or in a whole range of situations where they are exploited, but that doesn't mean they don't want to work. A universal income guarantee would provide an opportunity for people to participate in a whole range of ways, either in the paid labour force or by undertaking unremunerated work.

The Howard Government whilst claiming to be in the vanguard of the push for smaller government has tied its fortunes to the mutual obligation masthead. This system requires massive intervention in the lives of those who receive income support. The Work for the Dole Scheme and compelled literacy training are just two obnoxious features of the Howard Government’s mutual obligation policy. This socially conservative government compels people to participate in an approved activity in return for receiving income support. This is a long way removed from people voluntarily involving themselves in a community activity. It is like having to sing hymns for your supper in a church run soup kitchen.

Indigenous people, with their Community Development Employment Program, get paid a not dissimilar amount to unemployment benefits. What a wonderful thing that's doing for them! It's turning them into overnight millionaires, solving their health problems, their infrastructure difficulties, their land ownership issues and their commercialisation problems. Australians don't have to worry about Aborigines now because now they are "participating" and avoiding dependency simultaneously. Doesn't it make you feel good that your country can ignore such problems like the provision of clean drinking water. The absence of adequate drinking water is the number one health problem in remote Australia. The average age at which Aboriginal people are dying has remained remarkable constant for most of the last 100 years.

In the last decade people coming to settle permanently in this country have found that migrants had to wait 6 months before they were entitled to receive income support equivalent to that of other Australians. The Howard Government extended this waiting time to 2 years. This cut back occurred in the face of evidence that the time when most people are likely to need assistance, whether they migrate from one town to another town or one country to another country, is in the first two years following the shift.

Australians need to trust other Australians and say, “I'm prepared to pay 50% of what I earn in tax, providing that I'll know that no-one else in this country is without food, housing, education and a decent health system”. If such a system were to be installed, most Australians would go to bed happy.

One question which universal income support answers is “how do we keep it simple”? Most Australians don't want all the complexity of the existing welfare system. They want the government to come up with an income support system which the least sophisticated in this community can understand. They don't want to have a system which only the bureaucratic elite
can understand. John Howard, just after he became Opposition Leader in the early 1990s, said families should know what their entitlements are. At present families don't, social workers don't, academics don't, most of the bureaucrats in Social Security don't know the amount of income support to which permanent residents are entitled.

At present the Australian welfare system is reductionist. The existing system is driven by a determined ethos, the basic planks of which are:
  - what is it we don't have to give poor people, and
  - what is the minimum we can get away with politically?
The Australian welfare system’s budget is allocated out of what is left once we have done all the important things – such as provide subsidies to industry and purchase the latest military toys for the boys.

On top of the attachment to outmoded constructions of a poor law welfare state, the welfare system finds itself in reduced circumstances as a result of the rise and consolidation of economic fundamentalism. One of the major planks of economic fundamentalist theory is the trickle down effect. This is the idea that the rich get richer first and some how they create jobs, which the poor eventually take-up, and in this way wealth eventually spreads throughout the community. Of course the trickle down effect does not promise a move in the direction of equality or equity. Anyone who has a leaking bladder can tell you that their thighs are always wetter than their feet. Alan Anforth, a past Director of ACT COSS, denies that the trickle down effect works. He suggests that an alternative mechanism is in play. He calls it the Suck-up Effect: the rich suck up the money and we suck up to them.

Finally, one of the greatest obstacles to the introduction of a guaranteed universal minimum income in this country is not the economic rationalists. It is not the politicians. It's the social welfare industry with each of the various sectors fighting, not for a unity based on what all poor people have in common, but for the maintenance of minimal economic advantages that some sectors have over others, eg. pensioners versus beneficiaries. This destroys the possibility of a potential unity amongst all those who would be advantaged by the introduction of a universal income guarantee. Social welfare practitioners seem oblivious to the advantage which solidarity amongst all sectors of the least affluent would herald. Each sector is divided from the others by the receipt of minuscule advantages. This denies the capacity of all poor people to present the government of the day with a powerful voting block which could not be overlooked and which would provide a unified rallying point around which to organise. The targeting of welfare not only divides welfare recipients from each other - it drives a wedge between low wage workers and those forced to survive on welfare benefits. If low waged workers and income support recipients accepted their essential unity, they would constitute a very powerful voting block. Such a unity has the capacity to lay the foundation stone for the development of a decent welfare state.