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### Conference Paper

**Paper Title :** After the White Paper : Renovating Social Policy in the 1990's  
**Author :** Watts, Rob  
**Proceedings Title :** 1994 National Conference on Unemployment  
**Editor :** Hicks, Richard et al  
**Publisher :** Australian Academic Press  
**Year :** 1995  
**Conference Name :** Unemployment : challenges and solutions  
**Conference Location :** Queensland University of Technology Carseldine Campus  
**Page From :** 19  
**Page To :** 26  
**Isbn Or Issn :** 1875378146

This article was originally digitised for the following unit. Articles may be reused in future semesters in other units by different lecturers.

**Unit code :** HHB213  
**Unit title :** SOCIAL POLICY PROCESSES  
**Lecturer's Name :** Tomlinson, John  
**Faculty/School :** School of Humanities and Human Services  
**Request ID :** 44817

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on 02-APR-04

# AFTER THE WHITE PAPER: RENOVATING SOCIAL POLICY IN THE 1990s

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All of the hooplah that greeted the release of the Keating government's White Paper on employment policy (Commonwealth of Australia 1994) cannot disguise the fact that it is the final obsequy for the demise of the Keynesian 'welfare state'. The policy proposals found in that White Paper have perhaps been profoundly disappointing to the great majority of Australians, who expect that governments can and should address the recurrent and deepening problem of unemployment (Saulwick poll in *Age* 8 June 1994). It has been subjected to a strong critique from some academics who have pointed to its theoretical and practical failures, even as they rely on some 'back to the future' version of a rekindled Keynesian welfare state. That the White Paper is open to strong critique however, should not mean that we evade the far more fundamental recognition that Australia's version of a Keynesian 'welfare state' has become historically obsolescent in the 1990s.

The full extent of the failure of the White Paper can only be understood in the context of major social and economic transformations. These have rendered the prescriptions both of the White Paper and the increasingly defunct remnants of the post-war welfare state, obsolete. The very foundations of social policy are in urgent need of renovation as we approach the twenty-first century.

This paper begins by surveying the essential problems with the White Paper. The modern White Paper claims a direct line of continuity between the Curtin-Chifley style 'social democracy' of the 1940s and the Keating government's commitments of the 1990 (Commonwealth of Australia 1994:1). Built out of the fundamentally flawed materials of the neo-classical prescriptive economics of the 1980s, the combination of intellectual vapidness and policy cowardice that the document actually manifests initially suggests why we should treat such claims with contempt. A commitment to a free-market economic growth model is inherently problematic for reasons that are more substantive than is revealed only by a critique grounded in outlining the problems of neo-classical economics (For a basic critique of the neo-classical synthesis see Eichner 1979; Arestis 1992). The White Paper remains silent on two central issues for the future; (i) can a regime of full employment be restored? and (ii) is such a regime especially one tied

to a regime of hyper-growth desirable and sustainable? The White Paper offers a model of policy which is as obsolescent as the older Keynesian style of 'social liberalism' and its faith in a linkage between (male) wage earning, limited forms of government intervention into the market and a weak social-security system.

In the light of these observations this paper suggests that the kind of social audit the White Paper might have carried out, indicates the need for a radical recasting of our policy framework for the twenty first century. It outlines a case for reconstituting what we generally call the 'welfare state' by introducing the principles of a basic *income* for all citizens in the twenty first century.

There are three arguments for basic income. Arguments to obsolescence, to citizenship, and to social creativity sustain the case for the policy renovations proposed here. (A fourth possible argument, that *basic income* is at the centre of innovative European intellectual and policy research (van Parijs 1993) and has been adopted by progressive groups like the Australian Greens is not pursued here). The argument to obsolescence is the prolegomena to making basic income the foundations of a new conception of citizenship in a society undergoing profound transformation.

## THE BREAKDOWN OF WORKING NATION: THE 1994 WHITE PAPER

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Heralded as the natural — and social democratic— successor to the White Paper on Full Employment of May 1945, the Keating government's White Paper is nothing of the sort. Once you go beyond the rhetoric what does the White Paper offer by way of a policy for creating full employment even if we define 'full employment' as an unemployment rate of 5% by 2000?

The White Paper's self-proclaimed aim is to create economic growth which it argues is the best way of generating new and worthwhile jobs, 'because economic growth and employment growth go together'. This economic growth will be achieved by a combination of *hope* and a *revived commitment to the neo-classical economic policies of the 1980s*. If there is one thing the history of capitalist economies in the past decade have told us, it is that greater efficiency and greater productivity do not automatically translate into increased employment demand. The

total White Paper expenditures over 4 years of \$6.5 billion has been raised mostly by cuts and/or redeployment of projected program expenditures till 1996–7). The White Paper steadfastly refuses purposive state action through infrastructure investment/socialised investment to create socially and economically useful jobs.

There is now clear evidence coming from utterly mainstream economic research that there is a strong correlation between fixed investment and economic growth in the OECD (ca 1949–1987). Otto and Voss (1994) show that for Australia (1966–1989) that public investment is a plus and that declining public investment appears to have played a part in Australia's economic downturn. This research suggests that there is a positive 'spill over' of between 20–40% effect from state sector fixed investment into the private sector.

Its proposed Jobs Compact is as close as the White Paper comes to some kind of positive job creation for the long term unemployed. What looks to be 'job creation' is nothing of the sort since the Job Compact conforms to what the OECD calls the 'redistribution of job opportunities' via a wage subsidy scheme which (i) effectively offers the long term unemployed jobs at the expense of currently employed persons many of whom are likely to be in low-paid and insecure employment, and (ii) ensures that the immediate net beneficiaries are the employers who offer low paid, low skill jobs (Campbell 1994: 46–7).

So long as we retain the fundamental policy lines of the 1980s there will be limits to the capacity to invent more jobs that acknowledge contemporary and broadly accepted standards of living and wage rates. The economy, if it were to solve the unemployment problem, needs to be able to do two things simultaneously.

Firstly, it needs to absorb all of the new labour power coming onto the job market from school-leavers and graduates of higher education. Secondly, it also needs to supply jobs to those already unemployed. If Australia could do the impossible or at least the improbable — and achieve a growth rate of 5–6% in GDP, then the unemployment rate would fall by around 1.5% every year that growth rate was maintained. It is no longer clear how and or when the Australian economy will be able to deliver the kind of sustained employment it did from the mid-1940s to the mid-1970s. If high levels of growth are needed to reduce our unemployment, then Australians will be waiting a very long time indeed before full employment is again on their horizon.

The 1994 White Paper is an epitome of all of the worst features of the noxious brand of revivalist and fundamentalist neo-classical economics of the past quarter century. It is an intellectual shambles. Its persistent elevation of the economic over the social collapses the social into the economic. It is a muted testimony to how far modern neo-classical economics has failed to rise to Keynes challenge that 'economics is nothing if it is not an ethical science'.

#### A SOCIAL AUDIT 1975–1994

Since the mid-1970s Australians in common with other 'advanced' social-economic communities have started down a pathway of fundamental cultural, social and economic transformation. The consequence is that the social and economic attitudes and relationships which sustained the creation and growth of the Australian 'welfare state' are now either disintegrating or obsolete. The keystone of the 'welfare state' that emerged after 1942 in Australia (Watts, 1987) was 'full employment' *and not* the emergent social security program.

The post-war consensus to 1975 held that working for wages within a regime of labour rights was the primary source of security and welfare. That regime of *labour rights* emphasised:

- *income security*, achieved through the Arbitration Court and its auspice of national 'basic wage' and — later minimum wage — judgements;
- *labour market security*, achieved through formal government support for full employment, a high tariff wall for manufacturing industries and a racist 'white Australia'
- *employment security*, including work security in the form of health and safety regulations, award conditions.

Viewed nostalgically we might almost believe that the politico-economic agenda was set in such a way that conflict in this period became 'the conflict of fine tuners'. Business interests were sometimes less enthusiastic about this pattern of policy and politics but accepted the value of a secure and fully employed (male) wage force, on the proviso that costs were contained and the 'work ethic' maintained by a stringent set of means tests for most benefits and a work test for unemployment benefits.

By the early 1980s many things were profoundly wrong, growing inflation and unemployment were eroding the consensus; basic changes in social relations were taking place; and new investment patterns saw Australia's weak secondary industry crumble as multi-nationals shifted to least-cost production countries.

The consequences for the employment-social policy nexus was simple. The social policy provisions that constituted the social 'safety net' had presupposed a whole set of social and economic relationships, processes and assumptions about full (male) employment that were now redundant. The so-called 'crisis' of the welfare state (O'Connor 1973; Dobell 1981; Mishra 1984) points to the now-unbridgeable gap between those founding assumptions of the architects of the 'welfare state' in the 1940s, and the remarkable transformations in the social and economic fabric of Australia which have taken place since then.

#### ASSUMPTION 1: WAGE WORK IN COMBINATION WITH THE SOCIAL SECURITY SAFETY NET IS ADEQUATE TO PREVENT POVERTY.

A number of assumptions have survived into the 1990s. Firstly that is wage work on a full-time basis

is effective in preventing poverty for all Australian workers and for their dependents. This is because the full-time earnings of men was deemed sufficient to keep a man, his wife and their children out of poverty. In Australia this view had been enshrined as early as 1907 in the Harvester judgement brought down by Justice H.B. Higgins in his 'basic wage' award, which appeared to take the needs of such a family into account when determining the value of minimum wages. **As** a sub-proposition, it was held as self-evident that if for some reason there was an interruption to the income flow of the prime wage earner, then family income could be sustained through a system of income support operated by the federal government.

It was a long cherished belief in Australia after 1945 that 'poverty' and unemployment had been effectively banished. Full employment together with the safety net of social security benefits and pensions had seen to that. We now know better.

Approximately one in four jobs in the labour market are now classified as part-time. Part time jobs expanded by some 225% after 1980 cf. with an increase by 20% in full-time jobs. The White Paper's silence on this matter, a direct consequence of government and employer preferences for 'micro-economic reforms', enterprise bargaining and the shift away from an effective arbitral and national wage fixing system is only one symptom of its intellectual vapidness.

The effect of this combination of mass unemployment, coming in two waves (1981–83 and 1991–94) and the extraordinary labour market bias in favour of part-time and casual jobs has been to install a process of significant income redistribution and something like poverty amongst wage earners.

The traditional view that to be in a paid job would automatically protect you against poverty was probably a never very sound proposition. There has never been a tight connection between the level of wages and the idea of minimal needs having to be met as a matter of right. In 1991, for example, some 17% of single income earning units received a little more than half the weekly median income for a couple with one child. In 1991 another 37% of single income units received less than the median income. Perhaps the single most striking acknowledgment that low wages were a problem was the Hawke Government's decision to introduce a Family Allowance Supplement in 1987. This was a salutary reminder that the 'working poor' were a reality.

There are compelling grounds for redefining the problem of poverty as the problem of income inequality. Income inequality has increased markedly through the 1980s making Australia one of the least equal societies in the Luxembourg Income Study (Saunders 1990:32). Increasing income inequality is largely a consequence of (i) purposive national wages and taxation policy changes designed to shift share of national income away from wage and salary earners and (ii) a raft of social and economic changes including industry restructuring, tariff cuts, financial

deregulation and widespread long term unemployment.

In 1966 there were some 861,572 people whose sole or main income source was the Social Security System. By 1986 some 2.7 million Australian were reliant on Social Security for their main income or 22.5% of the 16+ aged population. By 1993 about 4.1 million Australians are dependent on social security benefits. Taken together it is not unreasonable to suggest that some 3 million people (or 1/5 of the population) are in poverty in this country. The current recession with its high levels of unemployment with between 10% and 20% of the workforce jobless, will undoubtedly attack those Australians already vulnerable by reason of low incomes and reduced access to other cultural and social resources. It is also fairly clear that neither full employment nor the current levels of employment, nor the current social security system are able to prevent significant numbers of Australians from living in poverty. And the prognosis for the future is hardly an optimistic one.

**ASSUMPTION 2 PAID LABOUR IS BOTH DESIRABLE AND IS ACTUALLY AVAILABLE ON A FULL-TIME BASIS. WITHIN THE LABOUR MARKET, JOBS ARE AVAILABLE ON A PRESCRIPTIVELY FULL-TIME BASIS AND ARE FILLED BY A LABOUR FORCE CONSISTING OF PRIME AGE MALE WORKERS WHO REMAIN PERMANENTLY ACTIVE IN THE LABOR MARKET FROM SCHOOL LEAVING AGE TILL RETIREMENT AGE.**

One of the major features of the last 20 years has been the dramatic increase in the numbers of people working on a part-time basis. In 1966, as the golden years rolled on without apparent end, only some 9.8% of all employed persons were doing so on a part-time basis. In 1966 very few men worked part-time, testimony to the still powerful gendered assumptions that men's work had to be full-time. Only 3.7% of men worked part-time, whilst 24.0% of women were working part-time. By 1992 women made up 42% of employed persons; 32% of these women were working full time and 75% of those were employed on a part-time basis. It is no longer clear that wage labour on a full-time basis can continue to be the central security conferring and identity bestowing and central life activity for the great majority of work age persons. This, however, also needs to be put against the question of whether wage work should continue to bear this burden of significance, that it has borne to date.

**ASSUMPTION 3: THE SEXUAL DIVISION OF LABOUR AND THE THE DISTINCTION BETWEEN PAID AND UNPAID LABOUR WHICH IT SUSTAINS IS A NORMAL AND INEVITABLE FEATURE OF OUR SOCIETY. UNPAID WORK CONSISTS OF DOMESTIC LABOR, DONE LARGELY BY MARRIED WOMEN WHO CHOOSE FREELY TO BE FINANCIALLY DEPENDENT ON THEIR BREADWINNER HUSBANDS AND WHO CHOOSE DOMESTIC LABOR**

The 'welfare state' and the reconstruction of the labor market which took place in the 1940s and

1950s was built on the continuing subordination and/or invisibility of women's domestic labour. It is, however, clear that the gendered division of labour of the 1940s is no more. It is also clear that the processes of social transformation and the enhanced capacity of women to play a more socially creative role in the labour market needs to be both protected and enhanced by encouraging greater flexibility and cross-over for both men and women between the labour force, caring work and community participation.

**ASSUMPTIONS 4-5: FULL EMPLOYMENT AND HIGH RATES OF ECONOMIC GROWTH ARE BOTH FEASIBLE AND DESIRABLE OBJECTIVES OF NATIONAL ECONOMIC POLICY**

The disintegration of these foundations of the liberal welfare state regime and the increasing likelihood that both high growth and a return to full employment are increasingly problematic has (i) rendered the architecture of state interventions increasingly obsolescent and (ii) calls out for the kind of intervention represented by basic income.

The post-war compact we call the 'Keynesian welfare state' linked high economic growth based on a mass-consumption model and Fordist work processes to the achievement of 'full employment'. 'Full employment', of course, was designed amongst other things to provide a market of eager, income spending consumers who would provide the sustaining demand for goods and services necessary for growth. In the 1980s, considerable effort was expanded by governments on developing the base for a recovery of employment. That effort was confounded by a refusal to actively promote job creation and a retreat into the 'active society' rhetoric of the OECD which tacitly accepted that returning to a regime of full employment was no longer an option.

**RENOVATING SOCIAL POLICY FOR THE TWENTY FIRST CENTURY**

The foregoing social audit suggests that the fundamental linkage assumed by the Keynesian 'welfare state' between full (male) employment and the social security system has come unstuck. This constitutes the first argument in favour of basic income which is the capacity of basic income to deal with new social practices since the 1960s consequent upon the partial de-linkage of wage work and income. The second, no less significant, argument in its favour is its capacity to further enhance and promote the elements of citizenship and the third its capacity to undergird those transformative impulses already straining beneath the surface of the old order to give birth to new forms of social creativity. In this regard we need to go well beyond the kinds of incrementalism present in mainstream social policy analysis. (Cass and McClelland, 1989; Bradbury 1993). At the same time it is also plain that basic income will not by itself issue in some new non-wage workerist or egalitarian millennium. As ever the linkages between other elements of policy including taxation and labour market

policies will be crucial to achieving a range of policy and social outcomes.

Basic income is better seen as one element — albeit a critical one — in an overall policy package in which there is an integration of government regulation and intervention into labour market outcomes including:

- regulation of the wages system;
- long term commitment by governments to job creation, to reducing working hours, enhanced opportunities for job sharing and more flexible participation patterns;
- and improved better targeted labour market training programs

Basic income ?

There is nothing new about the idea of basic income. Its genesis may well lie with Tom Paine radical republican at the end of the eighteenth century, It was more recently extensively discussed in Britain from the 1920s through the 1940s. The Australian civil servant (Sir) Frederick Wheeler developed an argument for it in 1942 (Milner 1920; Watts 1984: 231). It was extensively revived by Henderson in the 1970s — and by monetarists like Friedman (1966). It has been at the centre of an extensive process of policy research and discussion in Europe (van Trier 1990) since the establishment in 1986 of the Basic Income European Network (BIEN) chaired by Offe (Miller 1988). It has also become increasingly controverted in discussions and debates between post-modernist (Jones 1982; Gorz, 1982; 1989; Mathews 1989) and left progressives (Wright 1986; Berger 1986; Nove 1986; Frankel 1987). In Australia there has been cautious support for a severely attenuated version of basic income (Cass and McClelland 1989: 21-28) and it has been contested strongly in a major intervention by Pixley (1993).

It has gone under any number of names in its short history as an idea whose time was yet to come. Pixley documents the Australian debates and discussion about basic income (Pixley 1993: 98-123). In Australia, Ronald Henderson gave the idea currency in his 1975 *Main Report* for the Commission of Inquiry into Poverty (Henderson, 1975) when he argued for a 'Guaranteed Minimum Income' (GMI). In Britain it has been called a 'universal grant' (Ashby 1984), a 'social dividend', (Miller 1983), and a 'wage' (Purdy 1989: 194). In America McGovern argued in 1972 for a 'Demogrant'. It has also been referred to as 'negative income tax', 'guaranteed adequate income', and 'social credit'. Here it is referred to in its simplest form as *basic income* (Purdy 1989: 194; Cass and McClelland 1989: 21-28).

By *basic income* is meant an *income paid unconditionally to all citizens on an individual basis, without means test or any work requirement or activity test.*<sup>2</sup>

It is a form of **minimum** income security that differs from those social security systems that are found in European countries and is different in kind and in

scope from the programs which historically have come together in Australia's 'welfare state' because

1. It is paid to individuals rather than households;
2. It is paid irrespective of any income from other sources; and
3. It is paid without any present or past work performance, or the willingness to accept a job or training program if offered.

I have already canvassed what I regard as its most compelling rationale the loss of relevance in a radically changed social context of what is left of the old Keynesian welfare state. I now more briefly canvass two other sets of considerations.

#### THE ARGUMENT TO CITIZENSHIP

The second major argument for basic income is that it provides an institutional framework for dealing better with the issues and contradictions implicit in the notion of citizenship rights in a time of dramatic social and economic change which may well be removing the option of full time employment for a substantial number of Australian adults. The current welfare system does not begin with an assumption that all citizens have a right to full economic and social security. It exists as a hybrid trapped between nineteenth century 'economic liberal' notions about the sovereignty of market forces and the role of individual self-help and of male wage labour in securing personal or familial security, and a minimal 'social liberal' conception of conditional rights to economic security. Implementing basic income will enhance a regime of citizenship rights to security.

It is cumbersome and clumsy and difficult to administer. The welfare system is chaotic, complex and often difficult for people to get access to. Consequentially many people are widely resistant to the bureaucratic and often inefficient and intrusive quality of stale welfare services. (There is too much scope for officials to pry into peoples lives; there is low public accountability on the part of administrators; there is a discernible lack of a 'consumer' culture in the provision of services). Finally the existing government systems seem to be based on all sorts of often contradictory assumptions. People do not like to have to wait for poor quality services, to be treated as supplicants or to be treated rudely.

**In its own way, the introduction of basic income would be as important to the twenty first century as the extension of full male and female suffrage was to the nineteenth and twentieth centuries.**

Universal suffrage did not and could not introduce a democratic, rational or harmonious utopia; it simply provided a mechanism whereby more people as citizens could for good or for bad influence the shaping of governance. Likewise basic income cannot and will not introduce a perfectly egalitarian, rational or harmonious utopia; it is merely another institutional framework which secures to more people the economic capacity to participate more fully

and to do so in ways which are not dependent on their prior participation in the labour market.

If one is to be a full citizen, one must participate fully. To participate fully requires that material subsistence is secured and is secured in ways that do not humiliate, oppress or demean, in a way that does not discourage efforts to escape poverty or disparage efforts to obtain training opportunities or employment. The current terms upon which social security is offered or obtained is consequential (i) upon exclusion from the labour market and (ii) entails that they are frequently barred from the main arenas of social cooperation by the terms upon which their social security benefits are conferred. These forms of exclusion also arguably weaken the community as a whole by driving a wedge between the waged majority and the dependent minority with the better off encouraged and sustained in their view that the social security claimants are a threat to order, are bludgers, are criminal and deviant, introducing further restraints and legal controls on their existence.

Basic income has the capacity to reintegrate the practice of citizenship and economic security which the long term privileging of wage labour has for so long sundered. In essence basic income rests on four relatively modest claims:

1. citizenship (and not class, occupational status, gender, earnings or employment record) will be the basis for entitlement to transfers and services;
2. useful activities including activities performed outside the labour market and employment become more possible and can provide the moral justification of the claim to benefits;
3. coverage of basic needs will be the criterion of justice and not the rewarding of desert or the protection of (relative) status;
4. a sustainable level of risk and the maintenance of autonomous options concerning the citizen's responsible conduct of his or her life will be the key normative value and not the promotion of some egalitarian utopia or the guarantee of absolute security.

#### THE ARGUMENT TO SOCIAL CREATIVITY

There are important experiments and transformations already taking place to the 'traditional' sexual division of labour and in the relation of economy and environment which need to be supported, and which the introduction of a basic income will help to underwrite and sustain.

Basic income becomes a fundamental institutional means to underwrite new social relations and new forms of social creativity in the transformation and humanisation of work. It can for example provide people with the opportunity to 'opt out' temporarily, or permanently, of formal employment to develop their skills and their potential for useful activities, in a way that formal employment and unemployment alike currently often denies, and to do so on a modest basis of state supported subsistence.

The nuclear family with a male breadwinner and a dependent wife and children now comprises barely 20.5% of all families (ABS 1989; Cat. No. 6203.0). It is true, of course, that just on half of all families conform to the nuclear family model, although the wife/mother in the great bulk of cases is now also involved in labor-force activity. What is clear now is that the framing assumption about the traditional family and the gendered division of labor it supported, no longer holds good.

It is now also clear that the the work patterns of Australians in the 1990s can no longer be divided between unpaid domestic labor and paid, public work. New kinds of work have emerged or re-emerged. Perhaps the more basic division now runs between work done in the *monetised* and work done in the *non-monetised* economy.

In the non-monetised sector, old and new forms of production and service delivery are now tending to obscure the once clear boundaries between 'work' and 'leisure'. Voluntary work, self-provision, producer and consumer co-operatives, barter and service exchange co-operatives are all now appearing or re-appearing on the scene. It is also plain, following the work of Waring (1988) and Ironmonger (1989) that we will need to radically reconceptualise the household economy.

There is now an urgent need to revise many of the categories and models used for researching things like 'poverty lines', 'standards of living' and indexes of deprivation which have relied on a series of masculinist conceptions of 'production' and the 'household' (Watts 1993). We need a new model of a more flexible yet 'productive' household unit, in a general context in which new forms of useful and caring activity are supported and extended.

The second major role for basic income is its capacity to underwrite possibly far reaching environmental policies in the twenty first century. We have yet to have in this country that substantive debate which goes well beyond the issue of the *feasibility* of full employment and actually addresses the more fundamental question of *its desirability in the light of an abundance of evidence about the ecological unsustainability of hyper-growth*.

An increasing number of people are convinced that a viable and sustainable **CONSERVER** social and economic order can be built. Such an order is oriented to achieving some of the following goals;

1. deconstruction of certain chemical and energy industries which sustain highly toxic and **destructive** economic and social activities, and their replacement by environmentally friendly and sustainable industries and activities.
2. a commitment to energy saving **as** a matter of national and global priority
3. Protection of the bio-sphere especially from Greenhouse gas emissions , again as a **matter of** urgent priority.
4. Promotion of new, high technology, low-energy based industrial development.

5. Promotion of labour intensive industries and activities based on the new Four R's, (*Repair, Reconditioning, Re-cycling and Re-use.*)
6. Redistribution of work, reduction of the working week, promotion of sharing of wage work, and a more equitable distribution between men and women of domestic and productive work activities.
7. Support for 'non-traditional production and consumption systems such as co-operatives and barter and service exchange co-operatives.

Not the least of the virtues of *basic income* is that it can play a central part in the transition towards such a sustainable and a just social-economic order. It would provide a sustainable economic basis for wage workers caught up in industry phase-outs and secure the basis for education and re-training.

Basic income will not of itself alleviate the environmental and ecological risks and dangers involved in unrestrained industrial growth and the 'full employment' that is contingent upon such growth but it would be one central element in the shift to a conserver society and a sustainable economy. Its chief virtue is its capacity to support and be integrated with other aspects of social change and policy interventions in a time of far-reaching social, cultural and economic transformation.

#### THE FEASIBILITY OF FULL EMPLOYMENT? DEVELOPING A STRATEGY OF POLICY PARALLELISM.

At the moment we are trapped between what I judge to be two excessively optimistic predictive accounts about wage work; on the one hand we have the utopian and generally optimistic accounts from the post industrial progressives who cheer on the demise of full employment and see in basic income a fundamental ordering principle for a workless society. On the other we have the equally cheerful assessment that if we can only reinvent the conditions of full employment all our problems will be solved. As of 1993 the Australian Green's adoption of basic income suggests **how** a 'free time orientated preference structure' or a 'post materialist identity' produces enthusiasm both for basic income and the prospect of reduced material growth and reduced incomes (van Parijs 1993: 28).

Pixley's impressive and careful discussion of citizenship and its link to employment rejects the conception of citizenship founded on the principle of basic income, preferring instead to argue that only labour market participation secures access to other forms of social and political participation which she argues are the *sine qua non* of 'active citizenship'. (Pixley 1993). *Contra* Pixley who would discount basic income thoroughly, and *contra* Cass-McClelland whose revision of basic income destroys it (by linking work tests to basic income payments) we need to pursue a *parallel policy line*.

My view is that we should remain agnostic **and** optimistic on the question of full employment. By **all** means we should require of **governments** that **they**

take job creation especially those which meet expanded criteria of social utility and environmental sustainability and transformative capacity far more seriously.

Basic income **and full employment policies** can be pursued as parallel policies that are not linked or overlapped but shadow each other into the twenty first century — separate but together.

Prudence and the experience of the past twenty years suggests that we cannot continue to pin our hopes for social security on a devoutly-to-be-wished-for return to full employment. Basic income offers an unconditional subsistence level tax financed right to income based on citizenship rights to security rather than labour market participation. It is entirely compatible with the continued existence of a labour market and with government sponsored job creation.

Basic income is a prudent move at a time when we can no longer be absolutely certain that full employment is ever going to be either possible or desirable. We should run a full employment and a basic income program in parallel but we should not follow Cass and McClelland in yoking the two ideas together by reinventing an authoritarian device that implicitly privileges the forms and assumptions about wage work drawn from the nineteenth century. (They manifest a fateful inability to wrest themselves free of a tradition which they wish to resurrect whilst remaining unwilling to establish its continuing viability).

## CONCLUSION

We can ill afford the luxury of a policy statement like the White Paper that is both an intellectual shambles and is an already nostalgic attempt to maintain the lines of neo-classical economic policies of the 1980s intact into the 1990s. We can equally ill afford to heed nostalgic calls for 'the resurrection of a viable tradition' of social policy (Cass and McClelland 1989:9) when the assumptions and the social foundations of that tradition are now obsolete (Gunn 1989). As we contemplate the end of one century and imagine the start of another, the urgency of the case for major renovations to settled policies and institutions is increasingly accepted. If we can contemplate without too much hysteria, acceptance of Aboriginal land title, conversion to a republic, or the shift to enterprise bargaining, then we should also be able to contemplate and to debate radical changes to Australia's social policy.

Changes in the pattern of wage labour arising out of a range of demographic/social movement/economic/political and technological factors and processes suggest in combination with arguments to citizenship that basic income is a good idea whose time is about to come.

## FOOTNOTES

1 Whether this be a crisis in the usual neo-Marxist sense, or simply the emergence of new forms of social life and social creativity, is not a point that should detain us here.

2 The italicised **text** is the definition adopted by the Basic Income European Network (BIEN) in 1986. (Cited in van Parijs 1993:3)

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