

Australian government minister blames the poor for poverty

Richard Phillips, Mike Head
26 July 2001

Australia's Minister for Workplace Relations Tony Abbott raised some eyebrows in media circles earlier this month when he offered the opinion that poverty can never be abolished because it is rooted in "individual behaviour". Abbott, a protégé of Prime Minister John Howard, attributed poverty to several Christian sins—gambling, drinking and drug taking.

A *Sydney Morning Herald* editorial expressed nervous concern about Abbott's "insensitivity" and "poor sense of timing and judgment". Its reservations were not so much about the substance of Abbott's remarks, as his "hurtful" style. By sounding like a "tent show preacher," Abbott could inflame hostility toward a government that was "struggling to overcome its perceived image as uncaring and ideologically driven."

Nothing was said in the *Herald*, or any other media outlet, however, about what had prompted Abbott's "unhelpful" remarks. No commentator asked the obvious question: why had Abbott, a man who apparently regards himself as a future prime minister, felt driven to elaborate the government's reactionary social outlook in such bald terms?

Abbott made his comments on a program entitled "Going Backwards", broadcast on the Australian Broadcasting Corporation's weekly current affairs show *Four Corners*. To a limited extent at least, the program laid bare the plight of Australia's growing army of "working poor"—families who are officially classified as living in poverty, even though one or more family members are working full-time.

Four Corners cited statistics from the National Centre for Social and Economic Modelling (NATSEM), showing that almost half a million people, or 42 percent of those defined as poor, were trying to live on wages that were so low that they remained below the poverty line. NATSEM's head, Professor Ann Harding, said the number of low-wage earners had doubled between the mid-1980s and the mid-1990s. Moreover, child poverty in wage and salary earning households increased by almost 40 percent between 1996 and 1998.

The program interviewed several low-wage workers. One,

Mara Apelis, was employed as a full-time casual in a telephone call centre but could not survive on the \$300 to \$400 a week she was paid. She had worked at the centre for 13 years, and was on call every day, but not entitled to sick leave. She had not taken a holiday since 1993 and could not even afford to visit a dentist.

Zenny Aruta, a housemaid at a five-star hotel, said her weekly wage of \$425 was well below the \$580 per week she needed to provide for her family of three children, a son-in-law and a grand-daughter. The household lived on rice and vegetables, occasionally supplemented by cheap meat or a can of sardines.

Confronted by this evidence, Abbott reverted to two crude responses. The first, possibly in keeping with his past study of theology at a Roman Catholic seminary, was to damn the poor as sinners. "We can't stop people from making mistakes that might cause them to be less well off than they might otherwise be," he asserted.

Abbott reacted so sharply because the program exposed the lie of the government's program of slashing welfare entitlements and herding working class families into low-paid work. The government's claim, in line with those of its counterparts in the United States and Britain, has been that welfare creates poverty and that the problem will be substantially eradicated by placing people in work.

In fact, the essential purpose of the policy is to push down wages and conditions. While increasingly dismantling the welfare system, the government has also undermined minimum pay regulations and encouraged employers to use casual, part-time and contract employment to cut labour costs. As those interviewed by *Four Corners* made plain, these processes are impoverishing entire layers of the working class.

This outcome is the entirely predictable result of the unrestricted operation of the market, as alluded to on the program by John Buchanan, from Sydney University's School of Business. "Within any market society, there is basically no discipline on how far wages can drop," he observed.

Left floundering, Abbott made the extraordinary claim that the “working poor” simply did not exist. He was not prepared to accept the term because it was an “emotive and distorting tag”. He reiterated the government’s basic credo that: “Unemployment, and not low pay, is the chief cause of poverty in our society.”

These comments reflected Abbott’s second basic response, which was to simply deny that poverty and inequality are worsening at all. “The statistics don’t show that people are being left behind,” Abbott declared. “Inequality in our society is not increasing,” he insisted.

Since taking office in 1996, the Howard government, like the Keating government before it, has relied upon data provided by NATSEM to claim that the poorest sectors of society actually improved their lot during the 1990s due to the impact of family allowances and rent assistance payments.

In part, NATSEM has produced such results by redefining poverty. It dropped the previous official gauge, known as the Henderson poverty line, which had been accepted for 25 years as a reliable, if austere, standard. The Henderson line provided an objective measure of poverty. Indexed annually, it was calculated from surveys of what income families actually require for food, clothing, housing and other essentials. Because of that, it showed that poverty worsened over the past quarter century. After considerable discussion in ruling circles, NATSEM adopted an entirely subjective yardstick—half-average disposable income—that reduced poverty estimates by about one-third.

Unfortunately for Abbott, however, even NATSEM’s latest studies now confirm both the deteriorating situation of the poor and the existence of a widening social chasm. As *Four Corners* reported:

“Today NATSEM released a report containing some worrying new statistics for the government. Its figures do show society getting richer and the poor getting poorer... Most Australians increased their wealth by at least 8.5 percent every year from 1986 to 1998, but the bottom 10 percent remained the same, on zero net wealth—no money left in the bank, no shares, no property.”

After more than a decade of economic and labour market deregulation, augmented by the privatisation of public enterprises, NATSEM’s study found that the wealthiest 10 percent have 43 percent of all assets, and the top 1 percent have 50 percent of the value of all shares. Moreover, the top 50 percent own 90 percent of all wealth, leaving the bottom half of the population to divide up 10 percent.

Other NATSEM figures, released on the same day as the *Four Corners* program, further highlighted the social polarisation. A report on retirement wealth found that the top 10 percent own 85 percent of all shares and investments, 72

percent of rental investment properties and 60 percent of business assets. Those in the bottom 10 percent have no assets, but an average debt of \$1,000 instead, even after allowing for superannuation.

One reason for the anxiety displayed by the *Sydney Morning Herald* is that the Howard government has spent the past 18 months preparing the next stage in its attack on the welfare system. Released last December, its plan imposes new “work-for-the-dole” requirements on the unemployed and begins to extend a similar “mutual obligation” regime to sole parents and disabled workers.

Despite the qualms of the *Herald* and others, Howard was quick to jump to Abbott’s defence. His minister was “being belted around the head and misrepresented,” he complained, in order to “stifle” the debate on poverty. Howard added that he too thought that some people were “responsible for their own poverty”.

Various right-wing columnists and representatives of pro-business think-tanks joined the fray, denouncing Abbott’s critics, agreeing with his assessment of the poor and demanding an end to what one commentator called the “savage levelling-down” effect of income taxes and welfare spending. They speak on behalf of key sections of big business who insist that the Howard government’s gutting of the welfare state must proceed, regardless of the social consequences.

Fifteen years ago, in 1986, a Labor prime minister, Bob Hawke, issued a cynical election pledge to overcome child poverty by 1990. His government scraped back into office but, of course, the pledge went unfulfilled. Today—and this is a measure of how far the discredited claims of social reform have been junked—the opposite claim is being advanced: poverty cannot be eliminated. Instead, the reactionary “work house” nostrums of the 18th century are being revived to justify a relentless offensive on working class living standards.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact