The class issues in the parental leave “debate”

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The rival paid parental leave schemes of the Labor government and the opposition Liberal-National coalition, pitched to different sections of the corporate-financial elite and the upper middle class, underscore the major parties’ shared contempt for working-class women.

Labor’s paid parental leave (PPL) scheme was introduced in 2011 and modelled on a Productivity Commission report earlier commissioned by Prime Minister Kevin Rudd. The government hailed its legislation as an historic and progressive “reform.” In reality, the measure had one overriding aim—to expand the exploitable low wage workforce available to business, boosting profits by lowering average wages.

Under the scheme, new mothers can receive the weekly full-time minimum wage, currently $622, for 18 weeks. The initiative involves new annual government spending of $260 million, with those accessing the PPL scheme stripped of other previously available tax and welfare benefits. Women accessing the scheme receive an average of just $2,000 more than they would have before its implementation—the equivalent of less than four weeks’ payments of the minimum wage.

Every aspect of Labor’s PPL is geared toward boosting the international competitiveness of Australian capitalism. The Productivity Commission noted that Australia has among the lowest female workforce participation rates of advanced economies, and said PPL ought to produce “behavioural change” in women with a weak “attachment” to the workforce. The commission cited “compelling” scientific evidence that a period of at least 26 weeks is most beneficial to the health and wellbeing of mothers and their babies. Nevertheless, it recommended the 18-week period, because providing payments for longer would reduce the number of women who returned to work. The boost in workforce participation rates, the Productivity Commission estimated, would see women’s average “long run wages” fall by 2 percent.

On this basis, Rudd is appealing for the support of big business against the rival plan of opposition leader Tony Abbott.

Under Abbott’s proposed PPL, new mothers will receive the equivalent of their full wage and superannuation and other benefits, capped at annual salaries of $150,000, for six months. The Productivity Commission explicitly rejected this model as being of little benefit to corporate Australia: “Full replacement wages for highly educated, well-paid women would be very costly for taxpayers and, given their high level of attachment to the labour force and a high level of private provision of paid parental leave, would have few incremental labour supply benefits.”

The opposition’s proposal involves estimated annual spending of $5.5 billion, about 20 times more than Labor’s scheme. It is to be funded, in part, by a 1.5 percent levy on the profits of more than 3,000 large corporations. Abbott first announced this policy in 2010, as part of his efforts to appeal to women voters. It was immediately denounced by corporate lobby groups, the establishment media, and many of Abbott’s senior colleagues.

Abbott’s official relaunch of the policy earlier this week, rebuffing the pressure to junk or at least water down the proposals, was again condemned in corporate circles and the media. The *Australian Financial Review* editorialised on Tuesday that “fiscal restraint” was required, with Abbott’s “proposal for excessive entitlement a worrying sign” that the opposition “is not prepared for the fiscal challenges the next government will face.” The nominally liberal *Age* newspaper similarly declared that the timing of the proposal, when Abbott was warning of a budget “emergency,” was “bizarre.”

The Labor Party attacked the opposition from the right over the issue, promoting its own “fiscal discipline” and willingness to implement further sweeping spending cuts to deliver its scheduled budget surplus.

Rudd denounced Abbott’s proposal as the most “unaffordable, economically irresponsible scheme that I think any political leader in this country has ever come up with.” Labor also rushed to the defence of wealthy shareholders, who under Abbott’s 1.5 percent corporate

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profits levy would see a reduction in their income tax credits. The Greens too defended existing tax credits, insisting that if Abbott wins the election they will work to water down his proposals in the Senate, including lowering the PPL salary cap to $100,000 rather than $150,000.

Abbott's scheme will almost certainly never be implemented. Behind the scenes of the official campaign, amid an escalating economic crisis, both major parties are preparing to unleash ruthless economic restructuring and austerity measures aimed at lowering working-class living standards and boosting corporate profits. The opposition's PPL plan is supposedly to be implemented in 2015, but the financial press is already anticipating a post-election revolt among Abbott's colleagues on the issue, junking or indefinitely delaying the policy.

During the campaign, Abbott is nevertheless promoting his PPL scheme to the targeted constituency—upper middle class women—who have been promised a $75,000 government handout for each child they have.

The opposition leader relaunched the policy this week in the wealthy Melbourne suburb of Malvern, where the median weekly household income is $2,800. Several journalists noted the brazenness of Abbott's appeal to the wealthy, with the chosen venue, a "Tuscan-inspired café," offering $70 fruitcakes and organic granola at $12 a serve. An *Australian* reporter noted that Abbott spoke about assisting women on "struggle street," but "in Malvern Road, the daily struggle for local mums is finding enough room to reverse-park the Porsche Cayenne." One of the women assembled for Abbott's photo opportunity, a "fashion buyer," told the *Age* that the proposed PPL scheme would be "fantastic," allowing her to "continue my lifestyle" when she had more children.

Rudd sought to win support by deriding the opposition's proposal as a scheme for millionaires, but this pitch is shot through with cynicism and hypocrisy. The inequality inherent within Abbott's PPL scheme is a reflection of the extreme social inequality that the Labor government's economic and social policies have produced.

Under Abbott's scheme, working-class women would receive far less than the maximum $75,000 for six months' leave, because they earn nowhere near $150,000 a year. According to the Australian Bureau of Statistics, about half of all women workers are employed for less than 30 hours a week, with median female earnings (including part-time and full-time workers) just under $40,000 a year. In Liverpool, Bankstown, Fairfield, Penrith and Campbelltown—working-class suburbs of western Sydney—around 40 percent of women earn less than $600 a week. They would receive only marginally more income support under Abbott than they would under Labor's current scheme.

The Socialist Equality Party demands as a basic social right the provision of a decent living wage for everyone, paid both to those who work and to those who are unable, due to disability, old age, illness or study and care responsibilities. New mothers ought to be provided with such paid leave for as long as is required to ensure the psychological and physical wellbeing of both the new-born baby and the mother. Adequate leave must also be provided for new fathers and partners.

There are ample resources in society to fund such measures. The corporate elite and their political representatives make unlimited funds available when it comes to bailing out the banks, fighting predatory wars around the world and inflicting brutal detention regimes on refugees and asylum seekers—but cry poor when it comes to funding basic social programs, such as parental leave.

The SEP calls for the implementation of a genuinely progressive tax system targeting the wealthy elite as an initial step in the complete reorganisation of society to meet the social needs of the majority, not the profits of the wealthy few. That will only be realised through the independent mobilisation of the working class to establish a workers' government committed to socialist policies.

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