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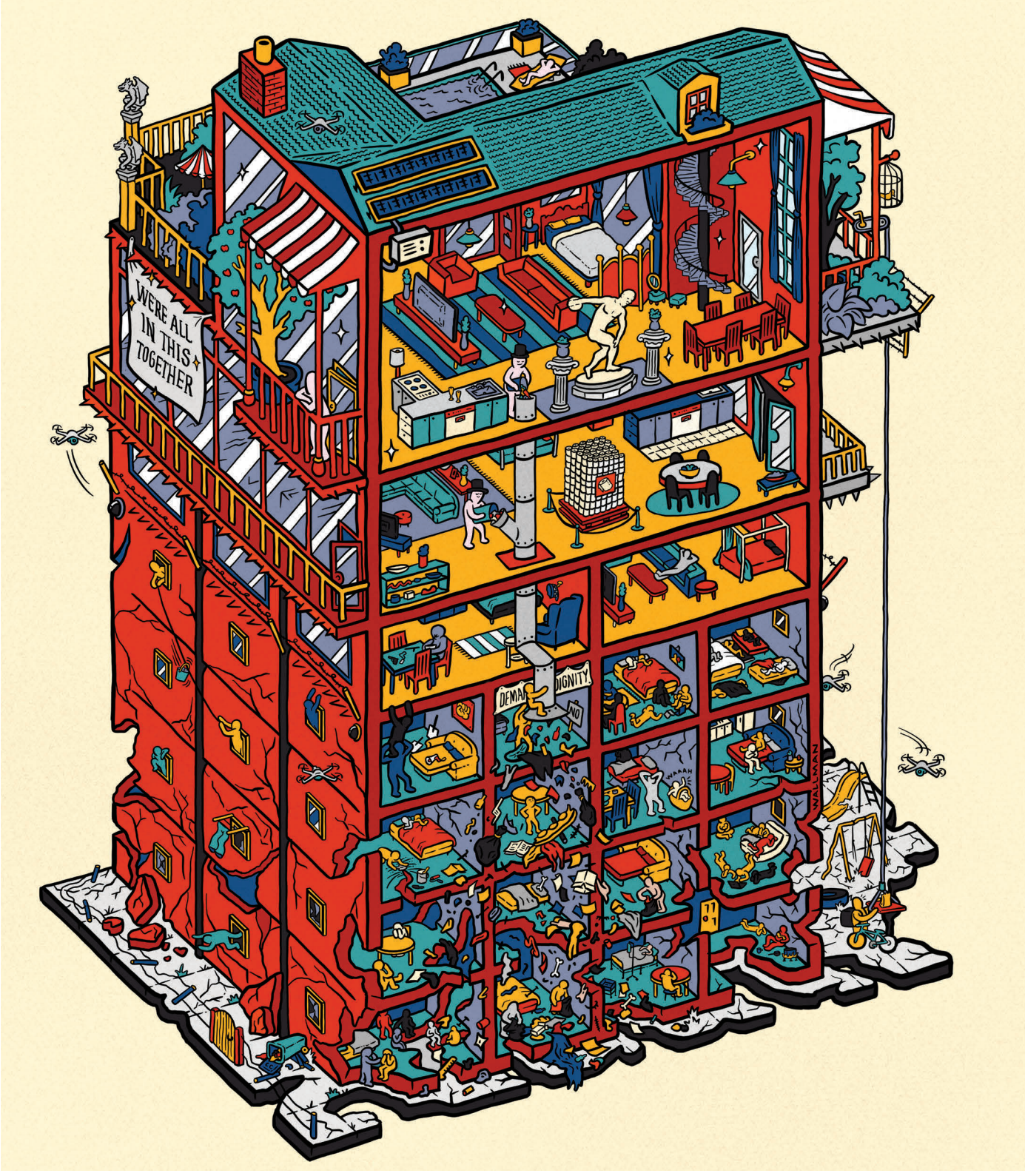
The Australian Fabians Review

Issue 1 | December 2020



Anthony Albanese | Anne Aly | Chris Bowen | Rose Jackson
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Cover Artist
Sam Wallman
We're All in this Together (2020)

Authors:
Anthony Albanese; Anne Aly; Chris Bowen; Rose Jackson; Andrew Leigh; Lachlan McCall; Malarndirri McCarthy; Kim Williams

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Editorial

The election of Joseph R. Biden Jr. and Kamala Harris seems to have returned some hope to the world. More than a decade ago, Barack Obama's ascension to the Presidency also brought with it a surge of uncynical hope—an anticipation of new possibilities. But his response to the cresting tidal wave of the global financial crisis left many possibilities for structural, systemic change unexplored.

In Europe, things were worse still. Spain, Italy, Greece and Portugal governed more for their creditors than their citizens, and the long shadow of austerity set across the continent. An opportunity to right the course of the global economy passed by, leaving misery in its wake.

When crisis struck, the political left was caught unawares and without a plan. Progressive parties the world over squandered their opportunity. Either dwelling on nostalgia, or, having found some success winning power by impersonating their political opponents, the left offered no serious, coherent alterative solutions. So the prevailing neoliberal orthodoxy limped on for another decade—as often as not it was we who helped it along.

We are left now to ask—what if? What if we had been prepared for that moment, and started down the road of necessary reform?

The world is once again gripped by crisis, with the pandemic threatening to leave millions dead and shear whole industries from their foundations. The neoliberal order has faltered again and the state has stepped convincingly into the breach. We cannot make the same mistakes and waste another opportunity. We cannot allow the economic settings which have immiserated so many, for so long, to endure beyond this latest crisis.

For the second time in just over a decade, a Democratic President will be inaugurated in the midst of an historic crisis. On the eve of his election, speaking from his hometown in Wilmington, Delaware, President-Elect Biden repeated a favourite line; 'America can be summed up in one word, 'possibilities''.

This is the first edition of the Australian Fabians Review—an exploration of possibilities. Possibilities of economic restructure and social progress. The possibility that we might finally begin to address climate change and live sustainably. The possibility of turning back the growth of inequality of income and social opportunity. The possibility of rebuilding and reinforcing the very democratic structures which we have believed invincible for far too long.

We are exceptionally grateful to all our contributors, each one of whom has outlined their vision for a new possibility—from Rose Jackson's exploration of parliamentary democracy in the era of COVID-19, to Andrew Leigh's essay on globalisation in the post-COVID age, or Anthony Albanese's courageous vision for a new Australian economy.

We are particularly pleased to include the writing of Lachlan McCall, whose topical exploration of modern monetary theory is the first of our 'emerging voices' articles. We are proud to be developing a periodical magazine which embodies the values of the Australian Fabians not only in content, but in practice. Both Lachlan and our cover artist, Sam Wallman, have been paid union rates for their work.

It is more difficult than ever for new and talented writers to find opportunities for paid work; the expectation that unestablished writers publish their work for free pervades the Australian media landscape. With your support, the *Fabian* will be a desperately needed exception to this rule.

We look forward to being able to expand our platform for 'emerging voices' in the future, and are extremely grateful to all Australian Fabians members who have contributed to support this necessary work. With every new member of the Australian Fabians, our capacity to create valuable and increasingly rare space for paid, progressive writing expands. With that in mind, we encourage you to ask your friends and family to become Fabians too.

I would also like to extend my heartfelt thanks to the small team of volunteers who have put so many hours of their time into making this magazine possible. Not only have they done an excellent job, 'building the aeroplane as we fly', but they made the process a lot of fun. I look forward to working together on the next issue and applying what we have learned this time around to grow the *Fabian* and fulfil our vision.

Part of that vision is a lively and robust exchange of views between our contributors and readers. We look forward to publishing letters to the editor in our next edition. To that end, I encourage you to write to me with your thoughts and responses, at editor@fabian.org.au, to be considered for publication.

I hope you enjoy this first edition of the *Fabian*.

Zann Maxwell
Editor

Anthony Albanese

2020 Vision

When we finally emerge from the pandemic, we will have a rare opportunity within our reach to recover, reset and renew, rather than rewind.

We need an economy that works for people, not the other way around.

We need more secure work.

We need to invest in job creation through infrastructure, social housing and services from early childhood education to aged care.

We know we have what it takes. Even as the pandemic pushes us apart physically, our sense of all being in this together only grows stronger. When we come out of this crisis, we must not leave that sense of togetherness at the exit.

While the Coalition needed a pandemic to jolt them into pondering the future, Labor was already thinking ahead.

When I began delivering a series of vision statements in 2019, corona was just a beer, not a virus. Yet even then we knew it wasn't business as usual. The so-called 'Black Summer' bushfires had been burning since winter.

As the smoke spread across our continent, then across the globe, it was just one more sign that the world was changing and that the one thing we couldn't afford to do was to stand still.

One of the central themes of my vision statements has been that wherever there are challenges, there are opportunities - as long as we plan for them.

That first vision statement was on Jobs and the Future of Work.

In it I outlined a future that builds on our potential as a clean energy superpower, which would deliver the trifecta of more jobs, lower emissions and lower energy prices.

Thanks to our rich lithium reserves, for example, we are edging closer to the development of a battery-manufacturing industry.

Brisbane-based company, Tritium, has developed the world's fastest charging stations and is fuelling the shift to electric vehicles in Europe and the US.

Among the energy opportunities that science is bringing within our reach, Chief Scientist Alan Finkel sees a hydrogen export industry that in ten years could be worth $1.7 billion.

My vision is also of a future that leverages our expertise, quality and skills to provide services in tourism, education, infrastructure, urban management and human care. But also a future that demands productivity renewal.

Productivity is the key that unlocks faster economic growth, greater international competitiveness and higher living standards. The productivity debate, however, has to be much more than a one-dimensional focus on industrial relations and work practices.

Instead I want to focus our productivity debate on managing the next wave of challenges.

Challenges such as:

- Strengthening the skills and capacities of our people
- Building a fair tax system that incentivises work and investment;
- Making quality, affordable childcare universal and overturning the current situation, which actively discourages those families where both parents want to work;
- Managing population growth, growing our regions and building productive, sustainable and livable cities;
- Tackling climate change and lowering energy costs;
- Supporting and encouraging older Australians;
- Making the most of our natural endowments and geographical position; and
- Maximising the opportunities of our region and natural endowments.

These challenges confronted us before the coronavirus and will continue to test us long after the pandemic crisis has passed.

Our post-coronavirus actions must confront the weaknesses in our pre-coronavirus world.

We will look to regional job creation, to benefit not only those communities but to take pressure off the capital cities — not so much decentralisation as regionalisation.

I want to see business confidence restored and investment renewed. I want to see clean, cheap energy and a modern energy grid to carry it. I want to see the policy confusion, which has very much become the calling card of the Coalition, swept away and replaced with certainty. I want to see a tax system that gives businesses incentives to invest in their equipment and in their workers.

And I want to see a skills and education system that takes on the skills shortages that are placing a handbrake on productivity growth.

We have a responsibility to repair our ailing vocational education and training system, after the Coalition government neglect has produced 140,000 fewer apprentices and trainees.

We need a VET system that not only trains people for current needs, but which provides workers with transferable skills, and the capacity to upgrade them. To do that TAFE needs to be the centre of delivery.

I have announced Labor's plan for Jobs and Skills Australia. It is a body that will be a genuine partnership across all sectors, as well as one that is designed for the times — collaborative, networked and responsive.

In stark contrast to the Coalition during the Global Financial Crisis, Labor has acted responsibly from the onset of the COVID-19 crisis.

We scrutinised the Government's actions and put forward constructive ideas. The most important was the wage subsidies at the heart of JobKeeper, opposed by the Coalition until logic and pressure overwhelmed them.

We criticised the Government for leaving a million Australian casual workers behind as well as sectors including the arts and creative sectors, university staff and visa holders, whilst giving some more than they earned before the pandemic.

I have always said that our approach to economic policy will have a soft heart and a hard head. That is the only way we can go forward.

Social mobility is born of opportunity. Opportunity needs a strong economy, and a strong economy needs growth in productivity. And growth in productivity needs intelligent budgets and a progressive tax system that incentivises investment in capital and people.

The Labor Party was founded at a time when your destiny was anchored to your class. Our historic mission has been to sever that anchor chain: no one held back and no one left behind.

In that spirit, another of my vision statements was about older Australians. If anything, the pandemic has further sharpened our focus on them - not least when you consider those voices in the media who spoke of older Australians as though they were dispensable.

I couldn't disagree more. After long lives of contribution and playing their part in the building of our nation, older Australians deserve a fulfilling and secure retirement.

We should all be concerned by the Government-facilitated raid on superannuation during the pandemic. It will substantially reduce the retirement savings in the future, as well as undermine the capacity of funds to invest in job creating infrastructure.

In contrast, a future Labor government will move quickly to develop and implement a Positive Ageing Strategy. It will outline a plan to help Australians in their final years of paid work, to build the nest egg that will let them retire when and how they want. It is a plan that will ensure that when Australians do retire, they have access to quality healthcare.

It's a plan that gives all older Australians a roof over their head and lets them access quality aged care when the need arises.

And it's a plan that means that those who want or need to stay in the workforce longer can upgrade their skills. According to Deloitte Access Economics, a 3 per cent increase in workforce participation by Australians aged over 55 would generate a $33 billion boost to the economy each year.

I have also spoken out to rebuild our capacity to have constructive national conversations about the big issues. It's a capacity that has been corroded by culture wars — but it is not beyond repair.

The starting point in strengthening the health of our democracy is inclusion. We must be respectful, open and accountable.

And a core part of inclusion must be the creation of a First Nations voice to parliament, consistent with the historic Uluru Statement from the Heart. Reconciliation will strengthen our nation.

Of course, one of the biggest issues we need to be having a grown-up conversation about is climate change.

The brutal fire season of 2019-20 is something we hope to never go through again — although hope will have little to do with it. Only preparation can help avert further tragedy.

Recent events have given some cause for optimism on that front. Indeed, if there is a good thing that's come out of the pandemic, it's the sharp reminder of the value of listening to and respecting experts.

Science took a pounding in the culture wars, but this pandemic has snapped us back to reality.

COVID-19 has reunited us with our respect for science. And with that has come an understanding that science is what can take us from lockdown to unlocking our potential.

And as we get better at recognising that innovation is central to competitive advantage, science will be at the core of our future economic growth, our new industries and the jobs they will create.

What we have is nothing short of a chance to create a better Australia, and it is powered by science.

Respect for science should be a given, but many scientists are exhausted from being derided by quacks and conspiracists. And some of those are in Parliament, politicians who tell us they don't believe in climate change.

But science is not an act of faith. Climate change is no more a matter of belief than the coronavirus is. It's about heeding the evidence – and it is overwhelming. We cannot allow opinion to trump truth.

But amid all this, the pandemic has been a wake-up call and the Government begrudgingly shelved ideology in favour of expertise.

The Government has even been jolted into the belated realisation that the union movement, on which it waged war for so long, will actually play an essential role in the recovery.

We all came together. The values that saw us through this crisis are the values that will let us flourish when it is behind us.

Compared with most countries during the pandemic, Australia has been fortunate. Some of it has been the lottery of geographical isolation and low population density.

But it is also thanks to our high level of scientific and medical expertise — and crucially, the fact that it was listened to and acted on.

It has also been a victory of the Australian people. It is testament to our instincts to pull together and co-operate — and to respect actual experts rather than the instant experts, who spring up on Facebook like mushrooms and thrive on the same fuel.

Armed with hope and determination, we can begin picturing what a post-pandemic Australia can look like.

Labor is doing what we always do: looking to the future with clear eyes, open minds and optimism.

Consider two Labor leaders, who faced another of our nation's turning points. With the world in conflict around them, John Curtin and Ben Chifley spoke not just of Victory in War but of Victory in Peace.

Curtin didn't live to see the peace, but Chifley worked hard for that second victory. Among his priorities were enlarging the CSIRO and establishing the Australian National University. As Chifley said: 'Scientific research is a necessity for the maintenance of our standard of living and even for our survival.'

The pandemic has brought that truth even more sharply into focus.

When we have flattened the curve of the coronavirus, the curve of climate change will still be waiting for us.

Just as Curtin and Chifley are Labor's light on the hill for reconstruction and nation building, Josh Frydenberg has been explicit about Thatcher and Reagan being the inspiration for the Coalition Government. Tellingly, the Budget he handed down in October will put us in debt to the tune of a trillion dollars – but it still somehow managed to ignore more than half the population.

Frydenberg's hero Margaret Thatcher argued there was 'no such thing as society', and she fought mercilessly against the union movement. But the pandemic has reminded us of how wrong she was on both counts. It has shown us once again how interdependent we are. Australians have made sacrifices for each other and demonstrated compassion and care. We are a society, and unions are an essential part of it.

The pandemic has also reminded us that the secure work and conditions that have been fought for and gained by the union movement are important not just for individuals, but for society and the economy.

Let's not snap back to where we were before. We have a chance to chart a way towards a strong economy that works for people, and build a path towards a fair society.

We need to point the country towards growth, because only inclusive economic growth can raise our living standards. We cannot keep putting the greatest burden on the narrowest shoulders. We owe Australians the vision and courage to imagine and create a better future underpinned by the togetherness that is getting us through the coronavirus.

Then one day we can look back with pride at how it was together that we saw off this crisis, and emerged from it stronger.

That's what Labor's plans are all about: creating jobs for today – and training our people for tomorrow; making quality childcare a right for all, not a luxury for some; rebuilding our manufacturing sector; and powering our recovery with clean energy.

We can make this once-in-a-century crisis the beginning of a new era of Australian prosperity and Australian fairness. Guided by Labor values, we can build a future in which no-one is held back, and no-one is left behind.

Anne Aly

Balancing Hard and Soft Power

Security in the Decade to Come

2020 has given us all much to think about. The year began with the charred remains of the 2019 bush fires still blistering through the heart of our nation. We had known bushfires before- Australia is the land of fire and storm; of droughts and flooding rains. As the fires dissipated, a grieving nation assessed the damage, dusted itself off and drew on the strength of its people to recover.

Then came the pandemic that swept through Europe, Asia, North America and our own fortress Australia. The virus named COVID-19 does not respect borders. It does not form an orderly line. It does not discriminate. It cannot be shot at, bombed, arrested, turned back or sent home. Our frontline of defence does not wear army fatigues and carry a gun. The second decade of the 2000s has given us much to think about- not least the fact that contemporary threats to our security and wellbeing come from unconventional sources.

It is not that long ago that the international security environment was largely characterised by the dichotomy of the Cold War. It is astonishing to look back at that time and ponder how relatively simple that seems compared to a new world order where nation states are no longer the major actors in the international security landscape. Non-state actors, individuals, non-government organisations and private corporations play a larger role in conflict and security now than they have in the past. Growing tensions between the United States and China have raised some concerns that the world is entering into another Cold War phase- one where China and the US as major super powers face off on trade, technology, military capabilities and regional influence.

But this view fails to recognise that the international security landscape has been transforming for decades and is likely to continue along a trajectory marked by diversity of actors and threats.

While inter-state conflict continues to be an enduring factor, it is no longer the defining concern for international and national security. Intra-state conflict and the collapse of fragile states, climate change, mass population displacement, extreme economic events, cyber security, energy and resource security, transnational organised crime, terrorism and pandemics are likely to continue to present as primary current and future concerns.

How well we weather contemporary and future challenges to our security depends on how adaptive we are to change. If history is anything to go by, we are not well equipped to face these new challenges - not because the international community lacks the insight or doesn't know how to defeat modern enemies but because we lack the political will

to mobilise soft power. In this regard, the decades long fight against international terrorism offers an instructive example.

In the fight against terrorism, Western allies deployed conventional warfare against a non-conventional enemy, in the, perhaps naïve, belief that terrorism could be defeated by bombs and bullets.

The prolonged war on terror failed to eradicate the threat of international terrorism. It is reasonable to deduce that the 'War on Terror' has actually led to a proliferation in the use of terrorist tactics by non-state actors in conflicts. In fragile states and those currently in conflict, indiscriminate terror attacks have become part of warfare.

The wisdom of employing a conventional 'hard' military response against an unconventional enemy whose regenerative capacity relies on its ability to employ 'soft' strategies of influence and mobilisation has, rightly, been questioned. Had we utilised soft strategies and mobilised civil society in novel ways to combat the threat of terrorism, we may have seen a different outcome - one where terrorism threat was excised at its root and where individuals and communities were empowered to resist the lure of ISIS and its affiliates.

The current theoretical framework for conceptualising counter terrorism has its origins in the school of thought of international relations and politics where approaches have been understood in terms of the exercise of power to obtain outcomes either through coercion (hard power) or attraction (soft power).

Hard power instruments include military, financial incentives, economic sanctions, and legal options. Soft power on the other hand encompasses a rather broader range of instruments that either directly or indirectly improve relations between nations or bring about desired social change. Most governments possess soft power diplomatic tools. Beyond government, soft power also resides in the institutions that promote cultural or educational exchange.

Hard and soft forms of power are not neutrally wielded and are often seen to be in opposition to each other, with proponents vying for resources and influence. Hard power advocates argue that hard power is the most effective means of achieving desired results particularly when dealing with rogue states. Soft power proponents on the other hand, argue that it is a more ethical approach not only limited to government, but that can also be employed by NGOs, corporations, institutions and transnational networks. Unlike hard power tactics, soft power measures are much harder to quantify and often take years to implement before any measurable results become evident.

Hard power and soft power are far more nuanced than simple definitions of coercion versus attraction. Soft instruments can be used in hard ways and vice versa. It is instead more useful to think of hard power as being purposeful in its application and finite in its effect. Soft power can be both purposeful and non-purposeful and potentially infinite in its effect.

Neither soft power nor hard power alone is very effective in achieving the goals of international or national security. The integration of hard and soft power into a single framework has eluded Western nations, particularly in the counter terrorism space where target hardening, military intervention, intelligence and punitive measures have been the predominant feature of our counter terrorism responses.

Punitive measures introduced in Australia, Canada, the United Kingdom and elsewhere respond to the phenomenon of foreign fighters in ways that reflect hard power. The confiscation of travel documents of those suspected to be planning to travel to Iraq and Syria in support of the Islamic State is implemented by state institutions and law enforcement agencies who have limited authority or interest in prevention and intervention. Meanwhile, broad-based prevention initiatives that have the potential to interrupt radicalisation in the early stages are reliant on the capacity of the non-government sector.

The 'traditional' hard strategies involving military, policing, intelligence and legislation, have proved insufficient for establishing an effective long-term strategy, though they should not be entirely discounted. Rather, hard power measures should be used in combination with soft power in ways that effectively respond to the root causes of violent extremism. Such an approach also considers the social, economic, political and historical contexts in which violent extremism arises.

This kind of holistic and balanced approach to security can only be achieved through an integrated strategy, resource base and tool kit that draws from both hard and soft power. It is the kind of approach that will take us into the future and will meet the demands of an ever changing and transformative security landscape that presents new challenges, new foes and potential new alliances. Without a comprehensive and integrated framework, we are bound to repeat the mistakes of the past - to continue to fight novel enemies with conventional forces and deploy our efforts in ways that have limited impact.

Now is the time to reflect. Now is also the time to act. The past year has made it abundantly clear that all of us contribute to our security. Security in the modern age is no longer about military might alone. To understand this one salient point is the start to recognising that the future of security must be a collective effort.

Chris Bowen

The Social Democratic Moment

COVID-19 has been a shock to the political system, the ramifications of which will be felt for many years to come. While we know there will be significant implications, exactly what they will be is very much open for debate. Indeed, we progressives have to seek to influence them.

The last big shock to the system was the Great Recession of 2009. The aftermath of that was meant to be the 'social democratic moment'. It was thought that given deregulation and a laissez faire attitude had brought the crisis about, parties which believed in sensible interventions and regulations would be well placed. It hasn't turned out like that. Grievance and resentment about the Great Recession and inequality has been a more fruitful field for right wing populists than economic progressives.

Plenty of people have pointed to the parallels with World War II. Labor in Australia and Labour in the United Kingdom in particular saw a unique opportunity to improve community standards and support, arguing that returning soldiers and their families deserved a better peace given the sacrifices of the war. They also made the compelling economic case that strong government investment was necessary to build the bridge to the future from the economic dislocation of the global conflagration.

Social democrats used World War II to argue for a reset; for a completely fresh approach. Chifley and Attlee didn't just argue for better answers to the questions of the time. They posed a completely new set of questions; they reset the political debate in each country.

In today's context, COVID-19 gives us an opportunity to similarly reset the political discussion - to draw a line under many of the toxic debates of the last decade or so and offer a new covenant to the people.

There's an opportunity for Labor to argue that things that were in the 'too hard basket' should be no longer. The response to COVID-19, particularly in Australia, shows what is possible when governments actually apply force of will to seemingly intractable problems.

Let's look at a couple of examples.

Governments decided it was important enough to quarantine overseas arrivals that they did so at government expense in hotels. Very nice hotels, often five star. It was implemented at very short notice and at very great expense, with no quibbling about which government should pay. Right call. Despite the issues in Victoria, compulsory quarantine has been a vitally important factor in Australia's comparative pandemic success.

But yet women's refuges remain under-funded, over-crowded and all too often reliant on charity. Imagine if the same force of will and sense of urgency was brought to bear on providing adequate accommodation for Australians fleeing domestic abuse as was brought to bear on hotel quarantine. With two women a week dying at the hands of their partner or former partner, it would be justified.

A few other examples. Australia's governments laudably worked to increase the number of ventilators available from around 2,000 to more than 7,000. Again, it was done quickly. It is a remarkable achievement.

What if the same urgency was applied to improving service provision through Aboriginal medical services? Given the life expectancy gap between First Nations and other Australians is stubbornly unchanged, wouldn't that be warranted?

Or let's take an international example. In Britain, the Conservative government had a target of reducing homelessness by 90% in five years. Sounds ambitious?

When the COVID crisis hit and Whitehall was concerned that rough sleepers would become a vector through which the virus would be spread, this target was met in two days. When the force of will and power of government action was brought to bear, an ambitious government target was met in forty eight hours.

It is a similar story in Australia. Out of the estimated 8,200 rough sleepers in Australia, an impressive 5,000 were temporarily sheltered in the early weeks of the pandemic.

When the fierce of urgency of now is applied, when ideology is put aside, when prime ministers and premiers of good will work together to fix an urgent problem, a lot can achieved.

It takes sustained focus, effort and investment – but we should accept no less on the great challenges of our time.

The other lesson is that these things have been possible because governments have ruthlessly prioritised. For centre left parties in particular this is key. As believers in activist government and with big ambitions to improve the country, it is even more important we prioritise our ambitions. If we try and do it all at once, we'll fail. We can't 'boil the ocean', particularly from Opposition. If we pick our areas of focus and apply a focus similar to that which has applied during this crisis.

While parties of the right advocate for a 'snapback' and return to pre-COVID policy settings as a matter of urgency, Labor can and should take a more imaginative approach. We can use the pandemic as a reset, to point out the power of appropriate, well-calibrated government interventions on an agreed set of priorities. It's time to empty the too-hard basket and begin building a better post-COVID world.

Rose Jackson

Democracy Disrupted

One of the early Australian casualties in the coronavirus crisis was parliamentary democracy. Before widespread economic lockdowns or public health restrictions were established, our Parliaments were quietly adjourned – cancelled, effectively – for months and months and months. In some instances these adjournments had no stated time limit, effectively postponing the functioning of the Parliament for an indeterminate period. The ease with which this was effected was disquieting, but in comparison with the then looming public health crisis it seemed pretty inconsequential.

One of the latter casualties of the crisis – in NSW at least – has been the right to protest, with stricter and more stringent restrictions on public gatherings for political purposes being imposed even as similar restrictions on gatherings for other purposes (shopping, for example, or watching football) were being lifted.

The political and legal drama surrounding the Sydney Black Lives Matter protest highlighted how unstable and uncertain rights most Australians consider to be fundamental really are.

The global coronavirus pandemic has given us cause to reconsider whether democracy – in the parliamentary and participatory sense - is an essential service. Whether, in times of extreme health and economic stress, these institutions help or hinder our collective community response. It has also demonstrated the way in which the stress of the public health crisis on our democratic institutions can exacerbate unequal access to a public voice.

In my view the current COVID-19 crisis is proof of the enduring necessity of our democratic traditions and the collectivist values that underpin them. Health, economic and social responses to this utter catastrophe must be coordinated.

Every person for themselves is death, literally. We cannot manage this on our own. We are relying on each other to observe physical distancing and proper hygiene practices to limit the spread of the virus. We are relying on each other to check in with friends and neighbours, to make sure people have what they need and aren't falling through the cracks.

This coordinated response must be delivered by government. The state is the only institution capable of such a monumental task, proof of its relevance and centrality in our lives. It is only by working together that we can deal with this crisis - and it is our parliamentary system that provides the framework for that co-operation.

The political and legal drama surrounding the Sydney Black Lives Matter protest highlighted how unstable and uncertain rights most Australians consider to be fundamental really are.

Across Australia, this parliamentary framework experienced massive disruption because of the public health crisis. In the short-term, even the most dedicated Parliamentarians accepted this as entirely necessary. As time passed, we began to see the detrimental impact of this limited community input into the development of public health and economic responses.

Members of Parliament have a much broader role than participation in Parliamentary sittings, but this task is foundational to what we do. You cannot be a Member of Parliament with no Parliament. We don't sit all the time, but

our work representing the community is built around our engagement in the parliamentary process.

One example of the importance of defending our democratic traditions are the Public Health Orders executed from late March. These Orders are without question the largest peacetime restriction on our civil liberties. They imposed significant restrictions on our movement, on our ability to go outside our homes, to gather with our friends and family. Breaches of these restrictions - enforced with a significant degree of police discretion - result in substantial fines, or even a prison sentence.

These restrictions were and are necessary, however access to information on what these restrictions mean and how long we will be subject to them is unclear and difficult to ascertain. When asked at a hastily convened NSW Parliamentary Inquiry into the NSW Governments' response to COVID-19 to provide details on what constitutes a reasonable excuse to leave your house under one iteration of the Order, the Police Commissioner took the question on notice. How can the community be assured these restrictions are being administrated clearly and consistently? Who can the community rely on to ensure these unprecedented restrictions are not normalised? The community rightfully expects their elected political representatives to provide these assurances.

These restrictions were and are necessary, however access to information on what these restrictions mean and how long we will be subject to them is unclear and difficult to ascertain.

Another example of the importance of parliamentary oversight is the nature and scale of the economic response to the serious downturn caused by the pandemic. The public expenditure is unprecedented, changes to laws around tenancy, planning, public infrastructure, small business support have been pushed through truncated Parliamentary sittings with limited debate. In such circumstances, how can the community have confidence that these policies are properly targeted and fairly delivered? The old adage 'no taxation without representation' comes to mind, it is only reasonable for the community who is funding these initiatives through taxes to be represented in decisions around expenditure through their elected Members of Parliament.

The reality is that for people who are well-resourced and relatively privileged, whilst these restrictions and the limited public information around them can be annoying, they are able to function reasonably well. It's those who are already disadvantaged, who don't have the luxuries of safe and stable housing, who can't read the newspapers, who are already alienated from our social fabric, they bear the brunt of the serious downsides of this difficult new world. The further disenfranchisement of these people from our community undermines the strength of our democracy.

It's not just the curtailing of our parliamentary traditions that we need to concern ourselves with. We all know that political expression means much more than Parliament. We also have civil society and the courts – amongst others – to make our voices heard. Our capacity to express ourselves politically in these ways has been severely limited as well. Traditional tactics to express civic unrest – street protests, public rallies, organising door to door amongst communities and neighbours – are all illegal. Our courts have been wound back and curtailed, only the most pressing and urgent matters listed for hearings.

The restrictions on the right to protest have been particularly problematic in NSW. Despite positive progress on COVID management and the decision to ease restrictions on things like social gatherings, shopping and football games, an extremely hard-line against political protests was taken by the NSW Government. Police were told to aggressively enforce limits on gatherings. One of the most concerning elements of the NSW Government approach to prohibiting protest gatherings was the very limited details as to how long this approach would be adopted and what people who wanted to engage in political protest could do to ensure their activities were safe. For basic democratic rights like freedom of assembly, it is not unreasonable that restrictions should be as limited and light-touch as possible. With no clear end to the persistent and looming threat of COVID-19 in sight, continuing restrictions risk becoming normalised. 'Road-maps' back to 'normal life' are important for our economy and our community, and they're also important for the civil liberties we have curtailed.

Again, these restrictions have the most significant impact on people already disadvantaged within our political systems. It is often people who don't have contact with elected representatives, who can't get their voices heard in the media, who don't have resources to take matters to court, who rely on public protest to express their views. This is why protests like Sydney Black Lives Matter are so important. In prohibiting protests the Premier Gladys Berejiklian encouraged people to find 'other ways' to have their say, without recognising that this is considerably easier for some people than others.

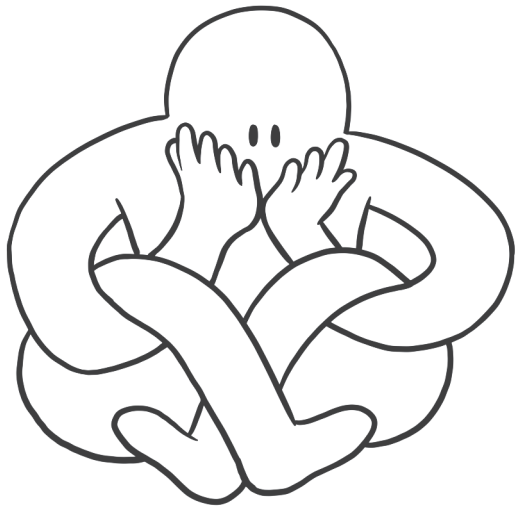
In these circumstances it is even more important we have confidence that our democratic institutions are doing their job, and one of those jobs is meeting as Parliament. In historic times of massive social and economic unrest, the community in Western democracies has been able to rely on these institutions to endure. The Australian and British Parliaments sat during the World Wars. Westminster sat during the Blitz, as German bombs rained down on London. They sat during the Spanish Flu. The British Parliament continued to sit during the Black Plague in the 1600s, but relocated from Westminster to Oxford.

Our Parliaments are more than capable of making arrangements to endure in this crisis as well. Measures to ensure physical distancing and healthy workplaces are eminently implementable. With a little creativity and some commitment, we can ensure the Parliament can meet with limited risk to Members of Parliament and their staff. Businesses, schools, families have all had to adapt to the new environment, our Parliaments should be capable of doing the same.

Times of massive disruption to established orders can be opportunities to innovate and adapt in ways and at speeds previously thought impossible. The underlying values of our democracies are enduring and must be defended, however the form and processes of our parliaments are capable of evolution and change to meet modern requirements. It has been pleasing to see some genuine and creative effort in recent months to get our parliaments back on track – including allowing electronic access to the chambers in the federal Parliament and new arrangements around voting in the NSW Parliament.

Similarly, if we're deeply committed to the idea that political protest is essential we can find ways to make sure it's able to continue. This can firstly be done through a sensible, consistent and risk-based approach to approving and conducting protest activity. If organisers are serious about the risks of mass gatherings they can utilise tactics like ensuring crowds gather in large venues and move around, rather than clump together, they can strongly encourage masks, they can provide hand sanitiser. This can also be done by thinking creatively about the way smaller gatherings can make a big impact. Authorities should be open to working with those groups taking this issue seriously–just saying 'no' often makes it harder to sensibly regulate and control what is occurring.

A debate about the future of our democratic institutions isn't always in fashion or a top priority. We tend to take these things for granted, to be dismissive and even a bit contemptuous about the role of politicians and parliaments. We also have a tendency to take things like our right to protest and organise politically for granted, they seem so natural to our Australian values and way of life. Times like this force us to confront the reality that these values are not immutable, they remind us that Australians fought to secure and died to defend the democratic freedoms. For the first time in many years, Australians were unable to gather to acknowledge that sacrifice on ANZAC Day. The least we can do to honour this service is ensure the democratic values they fought for aren't forgotten, jettisoned or undermined at a time when we need them most.



Andrew Leigh

Engaged Egalitarianism:

Reinvigorating Globalisation in the Post-COVID Age

Engagment

The 1918 Spanish flu didn't originate in Spain. It got its name because Spain was neutral during World War I, so Spanish newspapers weren't muzzled from reporting on the new epidemic. The disease was also variously called the Bolshevik disease (by the Poles), the German flu (by the Brazilians) and the Brazilian flu (by the Senegalese). In all likelihood, the 1918 flu originated in France, China or the US.

Similar xenophobic conspiracy theories have abounded about COVID-19. That it was created by the CIA. That it was an escaped Chinese bioweapon.[1] That it was stolen from a Canadian lab.

That it was invented by Jewish conspirators seeking to short-sell amidst a global share market collapse. That the virus is spread by 5G telephone towers. That it was part of a global population control scheme, masterminded by Bill Gates.

Pandemics increase our fear of foreigners and lend power to the isolationists. In many countries, the divide between globalists and nativists is more salient than the division between left and right. COVID-19 has empowered those who believe in shutting out the world, and made life tougher for those who believe in the benefits of engaged multilateralism and diverse multiculturalism. Since the twenty-first century began, there's never been a better year than 2020 to be a racist, xenophobe, protectionist, chauvinist, or jingoist.

Although the charge against internationalism has been led by authoritarians and right-wing populists, progressives aren't immune from the temptation to slam a door on the world. While reactionaries have led the charge against global institutions and immigrants, the backlash against trade, foreign investment and global supply chains has come from both sides of the political fence.

But just as the cost of coronavirus has been disproportionately borne by the most vulnerable, so too a retreat from global engagement would hit disadvantaged people the hardest. A more closed economy means slower growth, which in turn means that unemployment will stay higher for longer. Less overseas investment will constrain productivity growth, limiting potential wage rises. Weaker international institutions will slow the rate at which vaccines and treatments can flow to the world's poorest nations. While developed countries may be able to produce their own pharmaceuticals, developing countries will depend on imports. Nations that depend on remittances and foreign aid are especially vulnerable in the face of a downturn.

The case for openness has traditionally been made in terms of growth. But international engagement can also help alleviate poverty and extend the buying power of low-income families. Moving from a developing country to a developed nation can immediately multiply a migrant's income. When a foreign firm builds a high-tech facility, its Australian workers will be more productive than in a low-tech factory. Productivity doesn't guarantee higher earnings, but it's essential to sustaining wage gains.

Capturing the benefits of globalisation for the most vulnerable requires more than a laissez faire willingness to let the market rip. It requires a tax system that ensures multinational firms cannot dodge tax, an education system that equips people to thrive in an open economy, a targeted safety net that reduces poverty, and international institutions that focus on the wellbeing of workers, not just shareholders. In short, it requires 'engaged egalitarianism'.

Trade

Let's turn now to see how engaged egalitarianism shapes trade, aid, investment and migration.

Starting with the Whitlam Government's 25 percent across-the-board tariff cut in 1973, successive Australian governments have recognised the benefits of trade liberalisation. Under the Hawke Government, tariffs were reduced to one-third of their 1960s level, while industry plans for the steel, car, shipbuilding, textile and heavy engineering industries helped these sectors restructure. Today, almost all Australian tariffs are below 10 percent.

Like the Goods and Services Tax, tariffs tend to be regressive taxes, meaning that they eat up a larger share of the incomes of low-income households than high-income households. As a school child in the 1970s and 1980s, I remember the price of children's school shoes being a significant cost for my middle-class parents. Today, clothing and footwear prices are considerably cheaper.

In *Choosing Openness: Why Global Engagement is Best for Australia*, I looked back through old newspapers to gauge the impact of trade liberalisation on Australian prices. In 1987, Kmart sold children's shoes for $10 and men's work boots for $28. Thirty years later, in 2017, Kmart sold children's shoes for $9 and men's work boots for $34. In other words, Kmart could have kept the same prices on their shoe shelves for thirty years, from the age of Dirty Dancing to the era of Ed Sheeran. The shelf tags would be scuffed and yellowed, but the prices would have remained accurate to within a few dollars, despite inflation and real wage growth.

One way to get a sense of this price drop is to ask the question: how long would a typical worker have to toil in order to afford a pair of shoes? From 1987 to 2017, the amount of work required to buy a pair of children's shoes fell from 44 minutes to 13 minutes. Over the same period, the amount of labour required to buy a pair of work boots dropped from over 2 hours to 48 minutes. According to a study by the Centre for International Economics, the tariff cuts of the 1980s and 1990s benefited the typical household by almost $4000 a year.

Lower tariffs didn't just mean cheaper products; it meant more choices. As tariffs fell, it became viable for retailers to import a vast range of products that simply weren't economic to sell in the high-tariff era. Over the past generation, the number of different car models sold in Australia has tripled. Our supermarkets stock more product lines than ever before. If you have a quirky hobby, play an unusual sport, or enjoy a rare cuisine, then you're likely to have benefited from trade liberalisation. Indeed, one study suggests that the consumer benefit of a wide range of goods might be larger than the consumer benefit of cheaper prices.

The foundation of trade is the principle of comparative advantage. If you pay someone else to cut your hair and fix your car, then you already enjoy the benefits of comparative advantage locally. International trade just represents the same idea on a global scale. Shadow Trade Minister Madeleine King has pointed out that if every nation had to supply all its own medical equipment, 'healthcare costs would soar'. Try treating your ailments only with medications that were invented and produced in Australia, and you'll quickly see how the global flow of innovation and products has made us healthier.

Capturing the benefits of globalisation for the most vulnerable requires more than a laissez faire willingness to let the market rip.

Economist Paul Krugman once pointed out that we can think of trade as akin to a magical machine that turns our exports into imports. We fill ships with iron ore, wheat and gold. They return laden with furniture, trucks and smartphones. The magical 'trade machine' produces these things more cheaply than would be possible than if we had to build them domestically. That's comparative advantage in action.

Yet over recent years, the number of harmful trade measures has risen sharply. Since 2009, Global Trade Alert, an initiative of the London-based Centre for Economic Policy Research, has tracked the number of harmful trade restrictions, adjusting for reporting lags. In the early-2010s, there were fewer than 1500 restrictions a year. By 2018, the number of trade-restricting measures had risen to more than 2000 restrictions annually (data for 2019 and 2020 are incomplete, due to reporting lags).

Australia is both a victim and a perpetrator of this trend. From 2009 to 2018, the number of harmful trade restrictions directed towards Australia almost doubled, while the number of harmful Australian trade restrictions increased seven-fold. As the Productivity Commission has noted 'Australia is one of the most prolific users of anti-dumping measures in the world'. The recent Chinese action against Australia's barley exporters seems to have little merit. Instead, it appears to be at least partly a retaliation against the fact that Australia presently has 17 anti-dumping measures in force against China.

Protectionism has hampered the world's ability to respond to COVID-19. In 2018 and 2019, the Trump Administration imposed 25 percent tariffs on Chinese imports of oxygen concentrators, x-ray machines, CT scanners, pulse oximeters and thermometers, and 15 percent tariffs on medical protective gowns, protective goggles and sterile gloves. Although most of these tariffs were quietly dropped when COVID-19 hit, their effect was to make it more expensive to accumulate adequate stockpiles.

As the pandemic unfolded, many have suggested that Australia should expand domestic manufacturing capacity for essential medical equipment. In some cases, it will make sense to produce masks, ventilators and vaccines to top up imports. But that's quite different from imagining that Australia would benefit from a large-scale shift from a world in which medical supplies are produced cheaply and globally to a world in which each nation made everything locally. Such an autarkic approach would not just drive up costs, it would also create instability: making Australia vulnerable in the event of a single factory stoppage. What holds true for trade in general also holds true for trade with China. As the Australian National University's Shiro Armstrong notes, 'free trade that excludes China is not free trade', since more supply chains run through China than any other nation. Because of this, China has a huge stake in maintaining a rules-based international trading order, and Australia has a strong interest in encouraging the Chinese leadership to maintain the system that has massively benefited their nation since China joined the World Trade Organisation in 2001.

Rather than lambasting 'negative globalism', engaged egalitarianism demands that Australia plays a more active role in campaigning globally for trade liberalisation. Within APEC, we could press for agreements that countries will not impose additional trade restrictions on food and essential medical supplies. In the World Trade Organisation, we ought to be encouraging a comprehensive, long-term solution to the breakdown of the dispute resolution process. Regionally, we should encourage the conclusion of the 15-member Regional Comprehensive Economic Partnership, which covers the ten ASEAN states, plus Australia, China, Japan, New Zealand, and South Korea. While India opted out of the negotiations last year, any agreement should leave open a pathway to it entering the deal in the future.

Aid

Could you live on two dollars a day? Around the world, vast numbers of people do just that. The threshold – formally $1.90 in 2011 US dollars – is an internationally agreed benchmark for extreme poverty. In Australia, millions of people spend more than two dollars a day on coffee. Globally, around 700 million people – equivalent to the combined population of Indonesia, Nigeria and Brazil – live on less than two dollars a day.

The good news is that, throughout the twenty-first century, this number has been steadily falling. The bad news is, as a result of the pandemic, it is expected to rise. Depending on the impact of the economic shock, between 80 million and 395 million new people could fall into extreme poverty, potentially pushing the extreme poverty count above 1 billion.

Coronavirus could worsen global poverty through a range of channels. With inadequate hospitals and too few health professionals, developing countries struggle to test and treat victims of COVID-19. Although the population tends to be younger, people often live in close proximity to one another. It's hard to practice social distancing if you're sharing a Nairobi apartment with a dozen others. In Bangladesh's Cox's Bazar, coronavirus is rapidly spreading through the world's largest refugee camp. As Bill Gates has warned, 'COVID-19 overwhelmed cities like New York, but the data suggest that even a single Manhattan hospital has more intensive-care beds than most African countries. Millions could die.'

There are other reasons that poor nations are especially vulnerable. Fewer jobs can be done from home, with one study estimating that the share of employees who can telework is around 40 percent in Finland, but just 5 percent in Mozambique. Schooling disruptions can be particularly damaging in developing nations, with researchers demonstrating that Ebola-related schooling shutdowns had permanent adverse impacts on girls. In June 2020, the World Food Program reported that as a result of school closures in developing nations, over 300 million children were missing out on school meals. There is also a risk that supply disruptions in the agricultural sector could cause global food prices to suddenly spike, as occurred when prices for key commodities doubled in 2007-2008. Affluent shoppers might not even notice, but it could mean starvation for the world's poorest.

The Pacific is among the most vulnerable regions in the world to COVID-19. Shadow Minister for International Development Pat Conroy has argued for a three-pronged approach to assisting the Pacific region: immediate humanitarian assistance (including fuel and protective equipment), economic recovery (including support for rebuilding tourism and boosting labour mobility), and building resilience (including investing in healthcare systems, water and sanitation).

In the past seven years, Australia has slashed development assistance by more than $11 billion. Overseas development assistance has fallen from 0.33 percent of gross national income in 2013-14 to 0.19 percent in 2020-21. As a share of the economy, Australia aid is at its lowest level on record. On the OECD's league table of generosity, we have slipped back five places, from 13th to 18th. This year, Australia committed a welcome $300 million to Gavi, the Vaccine Alliance. But that money came out of the existing aid envelope, rather than being a new commitment. Right now, our stinginess is starting to show. National security experts have pointed out that aid cuts are damaging Australia's ability to exert soft power in the Asia-Pacific. And when climate change is an existential threat to some Pacific states, it doesn't help that Australia is a global laggard, as demonstrated by our last-place ranking on climate change policy in the 2020 Climate Change Performance Index.

The pandemic doesn't take away the need to act urgently on climate change, and to restore our aid levels to what would be reasonably expected of an activist middle power surrounded by developing nation neighbours. But we also need to be particularly engaged on ensuring that once a vaccine for COVID-19 is developed, it is supplied to the world's most vulnerable. As a recent United Nations report has warned, 'even if a vaccine is developed, there is no guarantee everyone would get it for free. Will we end up living in a new COVID-19 apartheid with the vaccinated and non-vaccinated residing in separate areas and working in different labour markets?'

Australia has a strong interest in engaging more closely with global health institutions. Pandemic preparedness exercises ('germ games') should become as common as the 'war games' that countries regularly conduct with one another.

As the only OECD country without an established national authority delivering scientific research and leadership in communicable disease control, Australia should establish our own Centre for Disease Control, as the Australian Medical Association proposed in 2017.

The one in ten Australians who support foreign investment in farmland sometimes quote the late NSW Premier Neville Wran, who quipped 'they can't take it with them'.

Just as new global economic and security institutions were created in the wake of World War II, so too engaged egalitarianism demands that we consider how to strengthen global health bodies in the wake of the coronavirus. It is in the interests of all nations – developed and developing alike – for new pathogens to be detected early when they emerge in poor countries. The World Health Organisation hasn't performed flawlessly in its response to coronavirus, but its expertise and networks remain critical to fighting this pandemic – and those to come.

Foreign Investment

In recent years, one dollar in nine of domestic investment in Australia has come from overseas. Yet given that the stock of foreign investment is almost $4 trillion, it is striking how few Australians support foreign investment. Four out of ten people oppose foreign investment in manufacturing and finance, while about half the population opposes foreign investment in the resource sector. Six out of ten people oppose foreign investment in ports and airports. Nine out of ten oppose allowing foreign firms to buy farmland.

Australia's reliance on overseas capital dates to the earliest days of European settlement. Throughout Australia's history, investment from Britain, the United States, Japan and China has helped fuel economic growth. Foreign investors don't just bring cash, they also contribute know-how. British pharmaceutical firm AstraZeneca has been operating in Australia since 1957, carrying out research and development with local medical researchers, and currently employing around 900 people. In 2017, they upgraded their North Ryde manufacturing plant with a $100 million investment in smart manufacturing. Each year, they carry out half a dozen clinical trials in Australia. Foreign investment can also provide competitive pressure. For example, Aldi's entry into the supermarket industry caused Coles and Woolworths to lower their prices.

Often, the choice isn't foreign or local, it's foreign or nothing. When Japanese company Toyota and American firm General Motors ceased building cars in Australia in 2017, no local investors stepped in. Instead, the factories shuttered, and thousands of workers lost their jobs. When the owners |of Cubbie Station went into voluntary administration in 2009, no local buyers volunteered to purchase the 93,000 hectare cotton property. Had investors from Japan and China not bought the property in 2013, it might not have remained a viable operation. The one in ten Australians who support foreign investment in farmland sometimes quote the late NSW Premier Neville Wran, who quipped 'they can't take it with them'.

Investing in Australia provides a welcome source of diversification for overseas pension funds. To mitigate risk for their members, Canadian retirement funds such as the Ontario Teachers' Pension Plan have invested in Australian piggeries, dairy farms and feedlots. At the same time, Australia's superannuation funds are increasingly investing overseas, helping ensure that retirees don't have all their nest eggs in a single basket. The idea here is akin to the reason why workers shouldn't have all their retirement savings in the company they work for: if the firm goes bust, you lose your job and your investments. But if you have investments in other firms, you diversify your risk. Likewise, investing some of your superannuation overseas helps buffer the risk of a significant slump in the Australian economy.

Foreign investment can also help reduce trade conflict, by giving foreigners a stake in the success of the Australian economy. The Australian National University's Adam Triggs points to the example of Indonesia, which for years restricted beef exports from Australia. But as Indonesian firms invested in the Australian cattle industry, Indonesia's incentive to curtail our beef exports has been substantially reduced.

A common myth is that Australia makes it especially easy for foreign investors. In fact, Australia's foreign investment screening is already more stringent than in most advanced nations. The OECD's foreign direct investment regulatory restrictiveness index measures openness on a scale of 0 (completely open) to 1 (completely closed). Its most recent analysis placed Australia at 0.15, significantly more restrictive than the OECD average of 0.06. The many advanced countries that are more welcoming to foreign investment than Australia include Britain, Japan, Germany and the United States. Looking in the opposite direction, one of the few nations that has tougher foreign investment screening rules than Australia is New Zealand. According to a recent Productivity Commission study, if Australia tightened our foreign investment rules to match those across the Tasman, the typical Australian household would be hundreds of dollars a year worse off.

Australia's foreign investment screening may be stricter than average, but it's not loophole-free. The government needs to do more to ensure that foreign investors don't dodge their tax obligations. National security screening should be based on clear principles, so critics don't whip up xenophobia over particular bids, and investors don't waste their time on fruitless proposals. Where investment is blocked, reasons should be given. Screening thresholds ought to be consistent across countries, rather than the existing jumble of differing thresholds. As the Foreign Investment Review Board evolves from a gatekeeper to a regulator, it may need more independence than its current structure allows. Unfortunately, the Morrison Government's new rules, announced in June 2020, don't address any of these issues of consistency, transparency or independence. Instead, the definition of a 'sensitive national security business' risks creating a system that is even more vague and arbitrary – raising the cost for legitimate foreign investors of doing business in Australia.

In recent decades, 'capital deepening' has been a major source of productivity gains. Simply put, investing in better industrial machines, newer computers, and more efficient offices increases the amount that each worker can produce each hour. In the long-run, productivity gains are the main source of wage growth. So if we want fatter pay packets, foreign investment can help. Scarce factors earn higher returns, so banning foreign investment would raise the rate of return for existing capital owners. Since capital is highly concentrated, this would deliver windfall gains to the most affluent.

Engaged egalitarianism recognises that foreign investment can boost equality. One way to think about foreign investment is that it raises the ratio of capital to labour in an economy. If labour markets work as they should, then more capital per worker ought to lead to higher wages. Just as workers earn less in capital-scarce Uganda than capital-rich Switzerland, so too Australian workers should benefit from an increase in the national capital stock. That's true whether the investor lives in Sydney, Seattle or Shanghai.

Migration

When it comes to migrants, it's too easy to forget that those who come to Australia bring not just a mouth to feed, but two hands to work and a mind to inspire. Immigrants are overrepresented among start-up entrepreneurs and leading researchers. When I worked in a highly productive research department at the Australian National University, most of my economist colleagues were foreign born, and some were on temporary visas. With one-quarter of Australians born overseas, immigration has been a major driver of productivity growth. One-third of Australia's Nobel laureates – including Brian Schmidt, J.M. Coetzee, Patrick White, and Bernard Katz – were immigrants.

The greatest beneficiaries of migration are the migrants themselves. Using visa lottery programs as a randomised evaluation, a study of Indians who migrated to the United States found that they increased their earnings sixfold. Facilitating orderly migration is one of the best ways of reducing global poverty levels, particularly if it is accompanied by measures to reduce the costs of sending remittances back. Globally, remittances exceed the total value of all foreign aid. Remittances account for 41 percent of GDP in Tonga, 29 percent in Nepal, and 18 percent in Samoa. For these nations, migrants matter.

Over the past seven years, the composition of immigration has steadily shifted. The Morrison Government has stymied some forms of permanent migration and made it more difficult for permanent residents to gain citizenship. Prior to coronavirus, processing times had blown out, and immigration visa queues had become so long that they would make a Soviet commissar blush.

Meanwhile, temporary migration grew – partly because international students flocked to our universities, but also because temporary skilled work visas have been allocated to unskilled occupations. One of the reasons that Australia's immigration system has historically enjoyed strong public support is that citizens see it as supplementing labour market shortages, not crowding them out of a job. Low-cost temporary visas for low-skilled occupations risks undermining community support for the migration program.

Temporary workers have also been placed in vulnerable situations. Most employment law imposes requirements on how employers treat workers. Yet when it comes to temporary migrants, the responsibility often falls on the employee. If students work too many hours, they can be deported. If working holidaymakers do not complete sufficient time working for a regional employer, their visa will not be extended. In these cases, immigration rules tip the power balance in favour of employers. In some cases, employers have responded by abusing that newfound power. As Shadow Home Affairs Minister Kristina Keneally notes, 'stories of people on backpacker visas being exploited in various ways – from underpayment to sexual servitude – are abhorrent'. One report described conditions faced by some temporary migrants as a form of 'modern slavery'.

When the pandemic recedes and immigration resumes, it will provide the chance to fix some of the problems in the system. Eliminating the exploitation of working holidaymakers – perhaps by drawing on the lessons of the well-regulated Pacific Seasonal Worker Programme – would be an important step to recognise the responsibility Australia bears for young people who come here, while also ensuring that mistreatment of backpackers does not become a way of cutting everyone's wages and conditions. It may also be worth considering additional protections for temporary migrants who report abuse by employers – akin to the protections available for spousal visa applicants who are the victims of family violence.

As a share of our population, few countries have successfully welcomed as many migrants as Australia. This makes us ideally suited to help lead a global conversation on managing migrant inflows. As economist Jeffrey Sachs points out, 'There is no international regime that establishes standards and principles for national migration policies, other than in the case of refugees.' Furthermore, as one of the largest recipients of refugees from camps managed by the United Nations High Commission on Refugees, Australia could even play a role in brokering a better global approach to managing asylum seekers. Yet this will only be possible once the remaining few hundred asylum seekers are resettled from Papua New Guinea and Nauru. This should be an urgent priority for engaged egalitarians.

Conclusion

Globalisation drives prosperity. This isn't just a theory. Stephen Kirchner, an economist at the University of Sydney, points out that it's how things worked at the end of the nineteenth century, when wages in Australia were the highest in the world. At that time, the ratio of trade to national income was around 50 percent – considerably higher than the trade share today. Foreign investment funded almost half of all Australian domestic investment in the 1880s.

The share of the population born overseas was higher in the nineteenth century than it is today. Indeed, of all the migrants that left Europe between 1851 and 1914, 7 percent went to Australia, making us the third most popular destination – a remarkable statistic for a country so small and so distant.

When we were highly globalised, Australians were extremely prosperous. Nineteenth century labourers in Sydney earned twice as much as their counterparts in San Francisco and Chicago. As Kirchner observes, 'Australia did not just occupy the frontier of global living standards, it defined it.' Our retreat into isolationism, behind the walls of White Australia and tariffs, saw Australia slip backwards in relative terms from other countries' living standards and productivity. When the economy re-globalised in the 1980s and 1990s, we began climbing the ladder – closing the gap in living standards between us and more internationally engaged nations.

But Australia still has a productivity problem, and our lack of global engagement is part of the challenge. One way to see this is to calculate our trade share – the sum of exports and imports, divided by Gross Domestic Product. On this measure, Australia is at 43 percent. The typical high-income country is at 63 percent. Another metric of globalisation is the MGI Financial Connectedness Ranking, on which we score 17th. On the KOF Globalisation Index, we rank 25th. Australia accepts relatively large numbers of migrants and relatively large amounts of foreign capital, but other measures suggest that we are less open than we might imagine.

Globalisation measures have been directly linked to higher levels of prosperity. For example, a one percent increase in our score on the KOF Globalisation Index – equivalent to moving up to the level of Singapore or Estonia – would increase labour productivity growth by 0.85 percent.

Australia could also benefit from increasing the diversity of our economy. On the Harvard Atlas of Economic Complexity, Australia ranks a shocking 87th, putting us just behind Mali and Uganda. We're not just too disengaged from the world; we also have too many economic eggs in too few baskets.

In this short essay, I have outlined a few ideas about how Australia could step up our global approach, guided by the philosophy of engaged egalitarianism. On the trade front, we should press for agreements to ensure the free flow of medical equipment, conclude the Regional Comprehensive Economic Partnership, and work to improve the World Trade Organisation's dispute settlement process. Our aid program needs to be expanded and targeted towards ensuring a rapid global rollout of the COVID-19 vaccine once it arrives. Foreign investment screening requires greater clarity and consistency, and a willingness to publicly advocate the value of overseas capital in creating jobs and raising productivity. Migration laws should better protect temporary migrants. We should swiftly resettle all those still held in offshore detention. And we should work with other nations to develop a more unified approach to people flows, including asylum seekers. There are also other opportunities for leadership – including in the OECD, the G20 and even the G7 – which could provide a chance for Australia to pursue an engaged egalitarian agenda.

As Australia deals with the economic rubble left by coronavirus, it's vital that we remember the many ways in which globalisation has shaped our nation for the better. With 0.3 percent of the world's population, Australia stands to benefit from being connected to the world, through trade, aid, investment and migration. If our nation rejects the benefits of openness – either through coded attacks on 'negative globalism' or a broader failure to step up to regional leadership – then we may end up poorer and more unequal. Conversely, an engaged egalitarian approach reflects Australia's values and our history, and offers a bright future for our nation and the globe.

[1]Most of these conspiracy theories are not worth rebutting. On the theory that COVID-19 was manufactured in a Chinese lab, see Andersen KG, Rambaut A, Lipkin WI, Holmes EC, Garry RF (2020). 'The proximal origin of SARS-CoV-2'. Nature Medicine. 26 (4): 450–452.

Lachlan McCall

We need to talk about MMT

The orthodox response to the emerging school of thought has largely been an intellectual failure.

Walk into any pet shop in Australia and the resident galah will be talking about modern monetary theory.

MMT has gained significant attention in the public debate as colossal sums of COVID stimulus have triggered fresh bouts of fretting over 'how are we going to pay for it?' Yet the latest outbreak of debate has merely galvanised an argument within the economics profession that had been bubbling away beneath the surface since at least January 2019, when newly-elected US Congresswoman Alexandria Ocasio-Cortez suggested MMT 'absolutely' needed to be 'a larger part of our conversation.'

The astounding feature of this debate has not been the litany of attacks on the theory by orthodox economists, politicians and commentators, but rather the spectacular failure of most 'critiques' to even correctly define MMT to begin with, much less actually interrogate its propositions. Even esteemed economists clumsily mistake it for some sort of proposal to 'start printing money', or some form of 'People's Quantitative Easing' (QE). The depth and breadth of error in these critiques has cheapened the public debate, needlessly held up vital discussions, and diminished the credibility of the economics profession. The widespread failure to correctly understand and represent, much less combat, controversial ideas has exposed a worrying—and baffling—institutional limitation within the professional and academic commentariat.

MMT is a positivist (descriptive) theory that claims currency issuing governments, such as Australia's, Japan's, and the United States', finance their spending in practice by first creating new money at the central bank, rather than by taxing and borrowing money from external sources. Currency issuers spend first, tax second, and borrow third. Currency issuers' spending is therefore always paid for by money creation. Governments spend by electronically crediting (marking up) reserve accounts at the central bank, and tax by debiting (marking down) reserve accounts. Every dollar the Commonwealth spends is a new dollar created by a keyboard at the central bank, and every dollar the Commonwealth taxes is an old dollar effectively deleted from existence. Federal spending comes from nowhere but a keyboard, and taxes go nowhere. Federal public finance is an endogenous (internally-sourced) rather than exogenous (externally-sourced) phenomenon.

Note these are empirical claims about the budgeting process that already exists, not a proposal for a new process or policy. Within the social sciences, including economics, theories are often grouped into two categories: positivism—or theories about the way the world is—and normativism—theories about the way the world should be. With the sole exception of the Job Guarantee, which would offer a guaranteed public sector job at a living wage to anyone who wants one, MMT is an example of positivist, rather than normative, theory.

It claims to be a description of the way the Commonwealth already spends, not a proposal for how the Commonwealth should spend. To illustrate this point, it is worth comparing two different understandings of the way the current federal budget system works: the old-school, orthodox theory that claims the federal budget is externally-funded from outside sources, like taxpayers and lenders (the dominant view within mainstream economics), with MMT's new, unorthodox theory, which accurately explains that the federal budget is in fact always internally-funded, or self-funded, by new money created by the government, at the point of expenditure.

The commonly held exogenous (externally-sourced) theories of public finance are familiar to all of us. We assume the story of federal public finance begins with a quantity of dollars existing outside the government, in the private sector and overseas, and the federal government comes along and taxes and borrows other people's (existing) money, which is then spent on social services, various forms of discretionary spending, and paying back the principal and interest on the federal debt.

The sequence, supposedly, is 'tax-and-spend', with federal spending 'reusing' or 'recycling' existing dollars back into the economy. We assume this is the way the currency-issuing federal government spends, because that's exactly how we spend as households: we don't 'create' new dollars, someone else creates them, so we have to go out and get dollars from external sources; employers if you're a wage-earning worker, customers if you're a business. If we can't earn as many dollars as we want to spend, we procure the rest by borrowing.

However, the currency-issuing government is nothing like a household or a business, or even a state or local government. Not because it's 'really big' and can borrow at cheaper rates, or because the government never dies (unlike an individual consumer) so it can always roll over its debt, but in fact because the government's spending process is entirely the opposite of a household's. The common assumption that government spending is externally-funded is wrong.

The basic operations of the fiscal and monetary system, in the case of a currency-issuing government, are, in reality, internally-sourced. The federal government spends new money—central bank reserves—into existence, and into the private sector. Taxes simply withdraw and delete reserves after spending has already occurred. A federal surplus simply means the government has taxed and deleted more dollars from the economy than it has created and spent into the economy. Conversely, a deficit simply means the government has created and injected more reserves into the economy than it has taxed and removed. As MMT co-founder and economist Professor Randall Wray says, 'there is no such thing as 'deficit spending', as a special type of spending. There is just spending, and then there is taxing, as two separate activities. The government spends, and pays for its spending, the exact same way [by creating new reserves] whether the budget is in deficit or surplus.'

A currency issuing government can then choose to 'borrow' back a sum of money equal to the excess number of dollars (reserves) it created and spent, minus what it taxed and deleted, misleadingly called 'borrowing to cover the deficit'. Or it could choose not to. Federal 'borrowing' (or the issuing of bonds, to be precise), just like taxation, takes place after spending, not before. Issuing or auctioning off bonds (sometimes called treasury securities), is financially unnecessary, not because the government could instead 'just print money', but because by the time the Australian Office of Financial Management (AOFM) goes to the primary bond market to auction off bonds, the government's spending has already been paid for by the creation of new money at the central bank. Federal 'borrowing' simply converts the excess currency created by the deficit into higher interest-bearing bonds, rather than actually financing government spending in any real sense.

The common assumption that government spending is externally-funded is wrong.

From these empirical observations, MMT economists such as Adelaide University's Dr. Steven Hail draw two axioms.

Firstly, a monetary sovereign government faces no purely financial constraints, in that it cannot run out of its own currency and cannot be forced to default on debts recorded in its own currency. Secondly, that all economies, including those with currency-issuing governments, are limited by the scarcity of real resources. Any government which tries to spend beyond the productive capacity of the economy will cause inflation.

To these they add a third point in the form of a simple accounting identity, developed by the late Wynne Godley: the government sector surplus is the non-government sector's deficit. When we include MMT's only core policy proposal—the aforementioned Job Guarantee—we might regroup MMT economists' core claims into a new list of three:

1. Currency issuers already spend by creating money, and are therefore constrained by real resource scarcity and inflation, not bankruptcy; and

2. The public surplus equals the non-government deficit; and lastly that

3. The government can maintain low and steady inflation, alongside true full employment, through an employment buffer stock (the Job Guarantee).

Yet virtually none of the intense criticism MMT has attracted bothers to address any of these points, nor the empirical observations behind them. Instead, what usually happens is critics dust off some high school history essay about Weimar Germany and hyperinflation, and lay into the idea of 'printing money'. Not only does this mean most 'take downs' of MMT completely miss the point, it also renders many of them useless for the purposes of properly interrogating MMT.

Even the most esteemed economists have fallen victim to this mistake. Reserve Bank Governor Phil Lowe told the House Standing Committee the RBA would not 'implement' MMT (which is technically impossible in a country that already has it), mis-defining it as 'direct money financing'. MMT in fact points out bonds don't finance federal spending, whether bought by the RBA or anybody else.

Andrew Leigh recently wrote 'adherents to Modern Monetary Theory claim that the gap between revenue and expenditure can be bridged by printing money, a strategy they claim will have no adverse consequences'. MMT adherents actually claim all currency issuing government expenditure is already financed by money creation, meaning the suggestion we 'should' begin 'printing money' to pay for 'the gap between revenue and expenditure' is an oxymoron. Adam Triggs' recent critique of Stephanie Kelton's The Deficit Myth (2020) exemplifies this error:

'Normally when the federal government spends money, it either increases taxes, cuts spending elsewhere, or borrows money from the public by selling bonds. MMT argues for a fourth option. Instead of taxing, borrowing or offsetting spending, the government should rely on the Reserve Bank to print money'

No, it doesn't. Nowhere in Kelton's book does she 'argue for a fourth option' of 'printing money' in place of taxes, borrowing or spending cuts. There's no evidence of such an argument anywhere else in the MMT academic literature spanning 25 years, either. Not only does no such 'MMT money printing proposal' exist, but from the MMT perspective, this mysterious 'proposal' is an oxymoron. What Kelton actually writes is:

'In truth, there is only one way to pay for anything. All federal spending is carried out in exactly the same way—that is, the Federal Reserve [or the RBA in Australia] credits the appropriate bank account(s).'

How can we explain this confusion? Either mainstream expert critics are failing to bother reading anything before attacking new ideas, or they do read the material and somehow misunderstand plain English, or they do understand the material yet choose to explicitly misrepresent it, hoping you, the layperson, will be simply too gullible to notice.

Laziness, incompetence and deceit are not attractive options, but here we are. There are some critiques of MMT which address the core point (that all federal spending is already money-financed, not that it should be), which is to say respectable and competent critiques, but they are shockingly few.

Incompetence aside, orthodox critiques struggle with consistency too: in merely a few months, former Gillard Government adviser Stephen Koukoulas has swung from comparing *The Deficit Myth* to *Harry Potter*, to sombrely declaring it 'a very good read certainly covering a lot of important ground... [but] unfortunately it adds little to nothing to what most sober thinking economists already know,' and all the way back to comparisons with 'the theory of turning lead into gold.' Orthodox critics don't seem to understand what MMT argues—but then, they don't seem to know what they're arguing either. Is it 'important ground we already knew'? Is it alchemy? Or is it an accurate description of a monetary system orthodox economists didn't really understand, and are now, out of embarrassment, desperately trying to downplay to preserve their influence?

What then of MMT's supporters? On the political left, growing awareness of MMT has raised the possibility of an end to austerity, insecure work, unemployment, wage stagnation, attacks on welfare and health and education, and the realisation that radical action on climate change is entirely achievable and affordable so long as we have the real resources to do it.

Alliances between progressive activists and thinkers span the likes of inspirational young US Congresswoman Alexandria Ocasio-Cortez, Senator Bernie Sanders, American and Australian unions and union activists, and MMT-friendly, pro-Job Guarantee economists from Joseph Stiglitz to Yanis Varoufakis to John Quiggin to Keynes' legendary biographer Robert Skidelsky. Job Guarantee motions have passed the Tasmanian Parliament, the annual conference of the ACT branch of the ALP, and the Young Labor branches of Victoria, South Australia, Tasmania, and the Northern Territory. Versions have been endorsed by Unions NSW, Unions Tasmania, and the United Workers Union. After an extraordinary rise in MMT's profile in the past 12 months, momentum is building and heading in one direction. The pandemic has destroyed the old surplus shibboleths. The Costello era is over. Only time will tell whether they rise again, zombie-like, when this bastard of a virus is defeated.

On the 'right' of the business community, unencumbered by ivory tower scorn and intellectual security, MMT has found a warm reception in a strange place. The finance sector has emerged as the site of MMT's strongest support outside the political left, motivated not by any particular allegiance to climate action, full employment or the end of austerity, but by the simple fact its members want to better understand the economy in order to avoid mistakes and maximise profits. Orthodox economists told them quantitative easing would either spark inflation or increase growth. They were wrong.

Goldman Sachs Chief Economist Jan Hatzius opined 'I don't look at labels in terms of what's left or right... I try to look at what makes me have a better chance of getting the forecast right, and I do find some of the ideas useful.' Hedge fund strategist James Montier once bullishly wrote, 'for me, an economic approach must help me understand the world, and provide me with useful insights (preferably about my day job—investing). On those measures, let me assure you that MMT thrashes neoclassical economics, hands down.' Not for nothing has Hatzius declared 'MMT proponents make a number of points that are both important and correct. One being that a government with its own currency cannot become insolvent... This should have been obvious, but that did not stop a number of commentators from fretting about a possible US Government default after the 2008 crisis... The main constraint on deficits is the risk of inflation...'

We are going to have to come to terms with a radical reconception of deficit politics and economics, and the very nature of the compact between the individual taxpayer and the state. But it is safe to say the genie is not going back in the bottle.

Lachlan McCall is an economist and convener of the Fabian Society ACT, previously serving in the Economic Division of the Department of the Prime Minister and Cabinet. He is currently studying a Masters in International and Development Economics at ANU, and monetary theory and policy at the University of Missouri-Kansas City as a visiting student.

Malarndirri McCarthy

A Territory Under Surrender

Territorians have been fighting for political rights since the Surrender Act of 1908 when South Australia surrendered the Northern Territory to the Commonwealth. It was a move which deprived Territorians of all political representation and voting rights and caused resentment. In 1918, around 1,000 demonstrators marched on Government House protesting unemployment, taxation and poor political representation in what became known as the Darwin Rebellion. Their demand: 'No taxation without representation.'

It was this people's movement that forced the Commonwealth to act. A Royal Commission was called, the outcome of which was the Northern Territory Representation Act 1922 which provided for a single non-voting Northern Territory member of the House of Representatives. It was not until 1968 that the Member for the Northern Territory acquired full voting rights, some 46 years later.

In 2000, the Division of Northern Territory was divided into two divisions: Solomon, which covers the Darwin and Palmerston area, and Lingiari, which covers the remainder of the Territory.

Now, the Australian Electoral Committee (AEC) has completed its redistribution analysis, as it does after every Federal election, and has declared the NT will lose a seat, halving its representation in the House of Representatives with the stroke of a pen.

This news has been met with great despair in the Northern Territory. With only four voices in a parliament of over 220 parliamentarians—two in the House of Representatives and two in the Senate—the loss of one voice will be felt most acutely in remote regions.

It will make the Territory the most underrepresented electorate in Australia, and smacks of inequality and unfairness. While the Constitution allows for a minimum of five seats for each original state—and 12 senators, it leaves Parliament to decide the representation for the Territories. The Commonwealth Electoral Act 1918 provides for a minimum of one member each for the Northern Territory and the Australian Capital Territory. The ACT now has three.

The Territory's size, the remoteness of many of its communities and its unique demography all contribute to a need for more than one lower house seat. A single seat in the House of Representatives would mean one member of parliament representing more than 250,000 Territorians in an electorate of over 1.4 million square kilometres—an electorate in which 27 per cent are First Nations people.

The Territory is simply too big for one person and our citizens deserve more. The saying is 'everything is bigger in Texas'. We really should be saying 'bigger in the Territory' to get a true sense of our vast region.

Labor will always fight for strong federal representation and will be fighting this every step of the way. In June, Labor introduced a Private Senator's Bill to legislate for a minimum of two seats in the NT. It was co-sponsored by CLP Senator, Dr Sam McMahon, and all the Nationals Senators.

The case for two seats in the Northern Territory is above party politics. It is about fairness for remote and regional Australians; fairness for Territorians who live outside of Darwin and Palmerston, in Alice Springs, Katherine, and Tennant Creek; fairness for Territorians living on cattle stations and pastoral stations; fairness for First Nations Territorians living in remote communities, living on homelands and who speak one of the Territory's more than 100 Aboriginal languages; and fairness for Australians living on the Indian Ocean Territories – Christmas and Cocos Islands, which also fall under the electorate of Lingiari. In case you need a greater sense of the size of the Northern Territory, it is six times the size of Victoria and almost double the size of New South Wales.

And while the decision by the AEC is based on population statistics, accessibility issues, language barriers and other obstacles result in undercounting of the NT's population in the census. Only 68.2 per cent of eligible First Nations Territorians are enrolled to vote, compared to an overall enrolment rate in the NT of 84.4 per cent and a national enrolment rate of 96.3 per cent. Although the enrolment rate has been steadily improving, this is quite clearly an unacceptable gap. We need to maximise the opportunity for Indigenous Australians to be represented and to fully participate in our democracy.

The grandchildren of Vincent Lingiari, who gave permission for the electorate of Lingiari to be named in his honour, have written to the Prime Minister pleading with him to support the Bill for two seats. Descendants Debra Smiler, Sonny Smiler, Rosie Smiler, Jocelyn Vincent and Lisa Smiler wrote:

'The fight for Land Rights began here on Gurindji country. Our grandfather Vincent Lingiari fought against power and privilege for the betterment of our people, and all Australians.'

Right now we ask you to listen to our voice, and help us to protect our voice. Losing a seat will make our voices softer not louder.

At a time when we should be heeding the call for First Nations people to have a stronger, louder, more influential voice in our democratic processes, reducing the NT's representation in the House will only set us back further.

The Commonwealth Electoral Amendment (Ensuring Fair Representation of the Northern Territory) Bill 2020 has been referred to the Joint Standing Committee on Electoral Matters (JSCEM), which received more than 50 submissions and heard from more than 20 witnesses at a hearing on 21 July, 2020. The overwhelming majority support the Bill.

Josie Douglas, Executive Manager Policy and Governance, Central Land Council, said direct contact between remote Aboriginal Territorians and their federal member would be rare under the proposed change.

The sole federal member's electoral office could be hundreds of kilometres away from remote residents…It is not difficult to foresee that the belief in the relevance of the electoral system, and interest in engaging with it, would be severely challenged.

A single electorate for the Territory would not recognise the NT's strategic and economic importance to the whole of Australia.

In giving evidence to the JSCEM, Greg Ireland, Chief Executive Officer of the Chamber of Commerce NT noted the NT's strategic importance in terms of defence, oil and gas.

We certainly believe that we are underrepresented even with two members, just from the point of view that we are such a strategic location with our proximity to Asia and the potential opportunities that brings the entire nation—not only the Northern Territory.

Indeed, the port of Darwin is integral to our nation's defence, biosecurity and border security. It is the gateway for trade with the rest of the world and the closest port to South-East Asia.

As the Territory works to recover from the impacts of COVID-19, there could not be a worse time for it to lose a voice in the federal Parliament. The challenges presented by the coronavirus have put a number of critical industries at risk. Tourism is vital to the Territory, generating over $2 billion in expenditure in 2019 and supporting 15,000 jobs across some 2,000 tourism businesses. With international borders unlikely to reopen until 2021 and a return to pre-COVID levels being some years off, supporting and advocating for domestic tourism opportunities will be more important than ever.

Territorians don't have a fair partnership in the Australian Federation. If we were a state, our representation would be guaranteed. It is time to move towards allowing the people of the Territory to fully make our own decisions, determine our own future so we can engage in a fair partnership.

In the meantime, slashing our voice in the federal parliament will do little to lessen Territorians' resentment of Canberra or restore faith in the political process. The NT must not remain a people under surrender.

Note from the Editorial Board: *Since the time of writing, the federal government announced that it intends to introduce legislation guaranteeing a minimum of two seats in the lower house for the Northern Territory and Australian Capital Territory. The Australian Fabians congratulate Senator Malarndirri McCarthy for her successful advocacy on this important matter.*

Kim Williams

Australian Democracy, Equality and Culture

Reflections on E G Whitlam

National investment in creative and intellectual life in Australia is central to ensuring equality, in all its manifestations and touchpoints, across our society. That investment is required because the evidence is in. Unless we embrace adherence to 'enlightenment values' – with a whole hearted commitment to reason, to verifiable facts, to science and its disciplined methodologies, to the maintenance of open minds, tolerance, the pursuit of beauty in all things, and to a core secularity in our polity, then truly bad things follow.

One only needs to look at the diversity of hideous populist political outcomes in wide evidence today in too many jurisdictions to recite; across Europe, North and South America, Asia, and Africa; to realise we are obligated to push back with vigour and defend that which represents a never-ending quest for equality, respect for thought and core moral purpose. This can only follow from deep knowledge immersed in history - capable of celebrating the broad diversity of humanity, and people's aspirations, and devotions. It does not happen spontaneously; it only ever derives from hard effort with a commitment to investment in national creative and intellectual nourishment

In Australia we see many earlier political examples of fine principle at play in striving for equality. From the South Australian colony and its early universal enfranchisement to women and Aboriginal Australians, through H V Evatt and the establishment of the United Nations, the Universal Declaration of Human Rights and the successful opposition to the Communist Party Dissolution Act and the vital referendum on it, before we arrive at E G Whitlam and his central role in repealing the White Australia Policy and a host of other initiatives to promote and defend equality and national intellectual renewal. Whitlam's successors in Hawke, Keating, Rudd, and Gillard have all taken important initiatives that have reinforced equality as political policy bedrock.

The legacy of Gough Whitlam is writ large across Australian society to this day, but nowhere was his impact as profound as in his devotion to policies supporting the intellectual and creative life and aspiration of all Australians.

Whitlam's was a commitment which was unprecedented in Australian history. It has been matched only once since - by Paul Keating's Creative Nation policy which was released over a quarter of a century ago in October 1994.

In my view the delivery of real equality in Australia is dependent on having a confident intellectually resilient nation where independent thought drives a shared sense of our 'commonwealth', where human rights are respected and defended and the benefits of citizenship are manifestly available to all.

It is important to reflect on the transformative impact of Whitlam's policy speech of 1972 in which the program had three central aims:-

'to promote equality; to involve the people of Australia in the decision-making processes of our land; and to liberate the talents and uplift the horizons of the Australian people.'

After a mounting cavalcade of far reaching policies addressing 'liberty, equality and fraternity' which encompassed: the rights of children; education for all; a universal health insurance system; a national compensation scheme; land and housing initiatives; the abolition of conscription; Aboriginal land rights; open government; recast economic planning horizons with regard to taxation, prices, the basic pension rate, social welfare and superannuation; industrial relations; cities, sewerage and transport; regional development, primary industries and northern development; Whitlam launched into our quality of life!

And there, for a political first in our nation, he spelt out initiatives designed: -

to promote a standard of excellence in the arts; to widen access to, and the understanding and application of, the arts in the community generally; to help establish and express an Australian identity through the arts; and to promote an awareness of Australian culture abroad.

Those commitments were to resonate over the ensuing three years in relation to the arts and cultural institutions.

However as importantly, the resonances continue in the hearts and minds of artists and cultural institutions to this day because the content and commitment were remarkable in scope and the portrayed vision. In the policy speech the section on Australian culture even preceded the all-important outline of the complete overhaul of Australia's foreign policy. It was about independence and about an aspiration to ensure equality for artists and intellectual pursuits in the duty of government care to fashion a resilient society. One enabled to sit with other nations and peoples with confidence as to having just policy settings and a confident contemporaneity.

Never in Australian history had cultural policy enjoyed centre stage as a deep political commitment until that precious moment in Blacktown, NSW on a hot November night in 1972. Never had matters of art and culture been central to the national future and its agenda, allied with core issues of the economy, health, welfare, and human rights. Indeed, the arts were core to the concept of human rights. There can be no question that this was the stuff of big picture vision which has provided a source of inspiration and a magnet for attack ever since. Inspiration to artists and the cultural institutions central to creative endeavour in Australia. Attack from those who seek to belittle the notion of vision which expresses bold aspiration and goals as anathema. Those attacks see vision as a term of abuse in the same way that 'liberal' is now used derisively in America to diminish and denigrate opponents.

Whitlam was an unapologetic big picture thinker. The policy foundation for the commitments to the arts in his 1972 policy speech was grounded in a firm conviction that artists themselves must oversee the policy and priorities in resource allocation and should determine the funding that was to be provided. It was a wholly renovated approach to public policy development and determination. It provided a policy commitment which was firmly rooted in respect for the artist and celebration of creative life as a worthy vocation.

Of all the myriad things Gough Whitlam did for Australian culture nothing mattered more than the respect he extended to the creative community in placing representatives from across the spectrum of Australian creative life in charge of decision making in all the fields of endeavour in which Australians were active (including all fifteen members of the Aboriginal Arts Board being Aboriginal or Torres Strait Islander – in 1973!).

The confidence and respect Whitlam displayed towards the creative community meant that it was transformed in outlook, aspiration, and responsibility - literally overnight. To be an artist had value. To work as an artist was valued. The work of artists was central to the nation's future. The time of the artist had finally arrived in the modern purpose of the Australian nation.

In the opening of the Arts, Letters and Media chapter of his landmark reference work, *The Whitlam Government* he wrote:

In any civilised community the arts and associated amenities must occupy a central place. Their enjoyment should not be seen as something remote from everyday life. Of all the objectives of my government none had a higher priority than the encouragement of the arts, the preservation and enrichment of our cultural and intellectual heritage. Indeed, of all the objectives of a Labor Government - social reform, justice, equity in the provision of welfare services and educational opportunities – have as their goal the creation of a society in which the arts and the appreciation of spiritual and intellectual values can flourish. Our other objectives are all a means to an end; the enjoyment of the arts is an end in itself.

Whitlam was a leader who wrote policy for the ages, with history as guide and robust curiosity and intellect as foundations. When Whitlam was reviewing the policy and program landscape of the Commonwealth's support of culture, he noted that up until his government it had been marked by sporadic, disconnected and often flawed, incomplete or half-hearted commitment from various previous governments. He asserted that the policy and structural framework needed to be refashioned in a modern way, consistent with a dedicated intention to invest and build coherently. He wanted to secure a policy pathway which saw beyond the simple injection of additional money, notwithstanding the evident need for a heavy uplift in that funding. The rollcall is substantial. To name just a few initiatives, he established many statutory authorities: - the Australia Council, Australian Film Commission and the Australian Film Television and Radio School; he commissioned the National Gallery; he founded the Public Lending Right, delivered immediate censorship reform and the Indemnity Program for Touring Exhibitions; he created the Australian Archives Office; and finally he launched free tertiary education. There was significant upweighted investment in all these programs and major renewal in support to the ABC.

Whitlam was always highlighting the overwhelming obligation of politicians to observe their duty of care to knowledge and its protection as central to the national future. Such observations reflected a devotion in his developed cultural policy to the central importance of strong national institutions. He never wavered from the view that strong nations need resilient independent institutions to defend, promote and celebrate values of enduring importance to humanity.

The essence of the difference Whitlam offered, and which has embedded him in Australian consciousness so indelibly, was proved in his having: - a rigorously well-developed and comprehensive policy program; a confidence in taking bold reformist action; and in empowering those in creative vocations to take charge of their own destiny. He regarded intellect, creativity and empowerment of cultural institutions as being as important to the health of the national future as Medibank.

Since his time, the erosion of too many of the primary values he represented has resulted in a sad descent into a miasma of mindless process and mediocrity, often on the altar of anxiety about negative reaction and populist fearmongering. It represents a resistible aspect of what I term the 'unwavering march of the general ignorance' which pervades so much of modern discourse. It has resulted in steady diminishment of investment to the detriment of cultural endeavour in Australia's national ambition. Without reinvestment the outlook is one, which is increasingly challenged, where equality will continue to be compromised and injustices confirmed and perpetuated.

Whitlam would have none of that and nor should we. I invoke his record because it still stands as unique; reflecting attributes of originality, unbridled conviction to equality, and a quest for confident reform in the service of the common good. Whitlam demonstrates that it has been done before, against immense odds, and can be done again.

We all fail the future if the shortcomings in our current direction are not addressed with bold policy to drive the creative potential of the nation, making a fairer and better society.

Cover art *We're All in This Together* (2020) by Sam Wallman

Sam Wallman is a Walkey-nominated cartoonist, organiser and comics-journalist based in Melbourne, on Wurundjeri land. His work has been published by the ABC and SBS, the *Guardian,* the *Age* and the *New York Times*. Sam is a committed unionist, and is a former organiser and delegate for the National Union of Workers. Inhabiting a space somewhere between Hieronymus Bosch and Richard Scarry, Sam's work is arresting, writhes with detail and always makes a powerful demand for change. In his work 'We're All in this Together', commissioned for the inaugural cover of *Fabian*, Sam uses the visual conceit of an apartment building to lay bare the staggering gulf between the impacts the pandemic has had on the rich and poor. As the penthouse dwellers lounge comfortably in their capacious suites, protected from the suffering of those below, they nonetheless advise the unwashed masses beneath not to worry—after all, we're all in this together, aren't we?

The Australian Fabians Review is proud to have paid full union rates for Sam's work. By purchasing a copy of the piece, you are helping to support the *Fabian* now, and into the future by allowing the inclusion of more voices and ideas for a just and fair future–a mission more urgent now than ever.

***We're All in This Together* (2020) is available for purchase as a stunning print from the shop on the Australian Fabians website.**

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