International Social Policy and Non-metropolitan Australia

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As the program was a little bit flexible this evening, we were uncertain when Kim Beazley would be arriving, I wasn’t sure quite which act I was going to have to follow, but I was worried about all of them. And now, of course, I’m particularly worried at having to follow Jean Kittson, who said pretty much what I was going to say, but I’m not going to say it as well. But I’ll be restoring the average. She’s been a very dynamic and amusing speaker and I feel especially since a statistician is speaking after me that I’m not too badly placed — on average.

When Gordon Gregory asked me to speak, he said he was looking for the first keynote — this is one of 14 keynotes incidentally and an area where inflation has taken hold — but he wanted to begin the keynotes in a very unfocused way and he thought I was the ideal person to do so. He didn’t quite say that; he said he wanted a very broad speech before focusing a little more on rural health and certainly I must say I know very little about rural health at all. But it might be useful if I speak somewhat more about the broader picture before you then focus both geographically and on health.

I’ve actually been working in the last few years more as the head of the international equivalent of the Australian Council of Social Service, which is in about 80 countries around the world. So I’ve been working more on the international scene and that’s going to have a considerable impact on what I say to you tonight. So I want to talk about globalisation and social development, with particular reference to its impact on rural areas, but I don’t feel presumptuous enough really to say too much about that. I hope that you will be able to draw your own conclusions from what I say.

Firstly, about globalisation itself. As Paul Keating once said about micro-economic reform, every galah in the pet shop is speaking about globalisation — but it’s nothing new. I think it’s very important to realise it’s always been around really and, as a former colony, we should not really need to be told that globalisation and major international forces operating on us have been there for a long time. During the Depression, for example, the Bank of England actually had to go to the trouble of sending out representatives — now they would just do it through the markets — but they sent out representatives to tell us to pull our heads in and to cut our own standard of living in order to ensure that English creditors were not hurt.

We’ve been told what to do for most of our history by forces elsewhere, so it’s important to recognise it’s nothing new. Also, of course, if one looks at the dramatic changes brought about in relation to technology, it’s useful to remember that when the overland telegraph was taken across the continent from Adelaide to Darwin it cut communication with Europe from two or three months to about eight minutes, just overnight, which is a more dramatic change, I think, really than the change brought about through the Internet. So we’ve been through these sorts of dramatic changes before.
That doesn’t mean, however, that we should just sit back and expect everything to turn out fine — because it won’t. We should learn from what’s happened in the past, not to believe that we can be like Canute standing forlornly in the waves, but realise that there are choices that can be made which can try to get the benefits from globalisation and avoid some of the disadvantages. And it is important for us to recognise that there are some benefits that have been achieved and that can be achieved but also, of course, to try to bring home to the dominant forces in the community the huge disadvantages which they persistently deny or ignore.

And it is important to recognise that what a lot of people try to hide, particular those who are in favour of what they call globalisation, is that this is very largely a globalisation of ideology. Some of the impacts that we see are because of developments in technology; but largely what we’ve seen is the globalisation of an ideology, an ideology of so-called deregulation, and largely, of course, affected by the demise of the communist countries and the end of the Cold War.

It’s important, I think, to recognise that deregulation, not only in globalisation but in some other areas that I mention, has a tendency to create greater inequality, to widen gaps. For those who have an opportunity, who have the basic abilities, perhaps, and resources but who’ve faced some previous obstacle, globalisation can open up opportunities and enable them to do better. We mustn’t deny that; a lot of people can benefit from it. But, by and large, those who don’t have those resources and those abilities, or who’ve faced even greater barriers and don’t have the political power to push for those barriers to be knocked down at the same time as some other barriers are knocked down, they tend to end up further behind, sometimes in absolute terms but at least in relative terms, compared to other people.

You see that internationally, where over the last 20 years or so we’ve had the so-called Asian tigers, for example ...

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... the facts of the Asian crisis in 1997. But Africa, for example, has gone backwards in relative terms quite substantially. And we see the same thing within our own community. It’s like the fault lines that Kim Beazley referred to and it’s reflected in the fact that, by and large, for example, low income people have fallen further behind relatively during the last 20 years or so, people in rural areas, in general, have fallen further behind relatively.

We’ve seen the same thing, incidentally, in another area of liberalisation from which one can also learn lessons, and that’s gender liberalisation or gender deregulation. It’s really been a somewhat similar phenomenon. And that has had, again, major advantages in terms of removing barriers for people who have the resources and the abilities but were just facing those barriers, and a lot of people have benefited from that very substantially. It’s analogous to the Asian tigers benefiting from an element of economic deregulation. But a lot of other people who haven’t had those resources or abilities or haven’t had the political clout to be able to fight for their barriers to be reduced have gone backwards in relative terms.
That doesn’t mean, of course, that we haven’t obtained great advantages, that we
mustn’t hang on to them, but there, as with globalisation, we need to recognise the
disadvantages that have come from it; be honest about it, identify those who’ve been
the victims, those who’ve fallen behind and look after them as well as still trying to
take advantages of the opportunities that have been opened up for others. I think in
some ways globalisation is like a river. Like a river, it can bring substantial economic
and social and environmental nourishment to those who are in a position to benefit
from it. But, like a river, it can erode and devastate and overwhelm if it rushes too fast
or spreads too far.

Like a river, it can be so ruthlessly exploited by narrow interests, that even its economic
utility can be destroyed. You’ll be able to think of some very obvious examples of that.
It’s a natural force but it can’t and mustn’t be allowed to override all other natural
forces. Restraint and guidance are often necessary to maximise the benefits of
globalisation as they are for a river and also necessary to minimise its dangers. And one
of the things that we need to do most, funnily enough, one of the main responses that
we need to globalisation, is more globalisation, because we have an imbalance. By and
large, a lot of the globalisation has been of a kind that serves the interests of the major
economic powers, both in terms of countries and of enterprises.

We haven’t, however, had a globalisation of governance. A lot of the things that we’ve
developed in Australia and in other countries over a century or so of struggle to try and
strike a balance between naked economic forces of profit and other important values in
society that are reflected in our legislation, in our general structure of governance and
culture in the community, those are increasingly eroded as the influences that affect the
way in which we live and the way in which our economic life unfolds are increasingly
dominated from overseas if there isn’t a comparable structure of governance which can
strike the same balance between economic, social, environmental and cultural forces.

So, in many ways, what we need is actually stronger internationalisation but in an area
which is being neglected. And it’s why many of the so-called advocates of globalisation
are, in fact, hypocrites, because they vehemently oppose globalisation in many aspects,
vehemently oppose globalisation of labour standards, vehemently oppose globalisation
of human rights, of free trade in many cases, of adequate taxation systems so that there
isn’t scope for international tax avoidance, of international criminal courts. Many of the
people who are the strongest opponents of that form of globalisation style themselves
as advocates of globalisation in general but it’s largely only when it’s in their own
interests.

Similarly, we need to be careful. I think, that we don’t become, many of us, seen as just
anti-globalisation or see ourselves as that because, in many ways, we may favour a
number of those things I’ve just said that the naked economic forces oppose. We may
believe there’s a lot to be said from strengthening international interaction and
co-operation in those sorts of areas. I think we need to be consistent and we need to
have a consistent approach. In many cases — Jean referred to level playing fields and
things like that — in some ways the mantras which dominated the 1980s and the 1990s,
such as “user pays” and “level playing fields”, were not so bad if they’d been
consistently and perceptively and broadly applied over the longer term.
For example, if we applied the user pays philosophy to environmental pollution, we would achieve very great benefits. If we applied the level playing fields philosophy to taxation instead of increasingly favouring the have against the have nots, increasingly eroding taxation of assets, which are the real measure of richness and of ability to pay tax, and increasingly leaving the burden falling on consumption and on tax of wage earners. We have moved further and further away from level playing fields. We have huge distortions in the taxation system which favour the rich so there’s been a grossly inconsistent application.

We see it also in relation to the media. Many of the gurus of the media have been very stridently in favour of free trade and competition. You’ll find, however, that recently in the debate with government and others about the introduction of digital television, the television channels stridently fought for and were successful in obtaining a restriction on competition, arguing that they needed to do that in order to preserve Australian culture and independence. Now, they were pretty right but they’d vehemently deny that argument in many other areas.

In free trade, I must say I’m sceptical as to how much Australia can benefit from further pursuit of the free trade mantra. Having spent a lot of time overseas recently, I’ve seen the brutal hypocrisy of the United States in particular and of Europe not only in hanging on to almost all their current protections, as Jean said, often cunningly disguised in some other form but indeed have introduced new ones. If you look, for example, at Internet. Why should Internet trading be free from tax? Both the contenders for the United States Presidency said that Internet trading should be free from tax because it was a young industry that needed to be encouraged.

Now, if other countries ran that line or said we’ve got a weak industry that we want to protect from taxation, they’d be abused and taken off to the World Trade Organisation. But the United States is able to introduce yet another major trade preference for a particular industry that it dominates. So there’s a lot of inconsistency in what they apply.

I want to move now just in the last few moments to talk about two forms of regionalism which I think are crucial as responses to this and to move on to a more constructive note about what can be done. And they’re both the things that make me most optimistic about the prospects for achieving something from this dramatically changing situation.

Both of them I call constructive regionalism and they refer to the regions at both the supra-national level — regions involving a number of different countries — and then the regions in the sense that you may be more familiar with, of course, of sub-national regions. But, firstly, at the supra-national level. We have, I think, now great potential for developing within the East Asian area, whether in fact Australia is immediately in it or not, a much greater degree of regional cohesion which I think will be essential if we’re to get a fair go from the international economic and legal systems.

I don’t believe frankly that you can achieve a great deal merely by intellectual argument; you need economic force and you need political force. The major powerful countries of the European continent realised increasingly over the last 40 odd years that even they needed to get together to be able to get justice from (in particular) the United States. They still struggle to do so. The situation, of course, has got a lot worse since
the end of the Cold War when we have such a dominant single super power. If it were not for the European countries having come together in the EU, we’d have an even more grossly unbalanced world and one which gave even more preference to naked economic forces than we now have.

I have noticed in the last few months — having been overseas in the last couple of weeks — a significant change in the morale of the United States and the European countries in the international forums that I’ve been at, which I think is quite encouraging; the United States a little less strident and domineering, the European Union a little more confident and assertive. Now, I know the European Union has its failings but, in the broad sweep, it’s far more concerned about preserving a social cohesion and equity and cultural values than has been the United States.

But we need a third force at least in order to have competition and this is one way in which I say that we shouldn’t always refute some of the arguments or the mantras that others may be using; we should just interpret them in our own way for our own purposes. There is a need to have competition in a sense between regions and the world, not to allow one country to dominate the world and the enterprises which are based in it to dominate the world. And it’s very important that East Asia becomes much stronger and that there are in fact three major regions in the world.

Of course, there will be tensions between them but we’re far better to have tensions which enables the diversity, enables different regions to pursue different things, enables countries to come together in strong enough units which can face down the multinational enterprise rather than have to capitulate to them, face down the financial markets rather than have to capitulate to them and yet can retain some degree of local flexibility and responsiveness to needs. So I think that building up regional interaction within the East Asia region, in particular, is the highest priority for Australia, doing it in a sensitive way, not in the way, for example, that Paul Keating did it; enormously damaging in terms of the way in which he engaged with Asia because, as in so many things, of a rather untutored obsession taken in extremist form which has actually done us much more harm than good.

Not, of course, also in the way that John Howard is doing, where repeatedly he’s refused to deny the attribution of the deputy sheriff role that was given to him. Both those approaches have been enormously damaging to Australia’s standing in the region. Possibly 10 years or so are needed to recover from them but it’s a very high priority for us.

The second type of constructive regionalism is regionalism at the sub-national level and this is where at the end I come closer to your particular concerns because I think it’s an enormous potential advantage of Australia which we’re in danger of frittering away. We have a lot of land, a lot of it habitable and arable, despite of course the fact that a lot isn’t; but we are so geographically maldistributed across the country.

It’s widely known that — if you leave aside I think the United Arab Emirates and Hong Kong and Singapore maybe — we are the most highly urbanised country in the world. But it’s not so well known that we also have a striking dearth of population in medium-sized towns and cities; extraordinarily low by comparison with other countries. And yet you’d think that that would be one thing in which we could specialise, which we could
develop, stronger regional centres, middle-sized towns and cities. And I think that there’s still a tendency — I see it in urban debate — to talk about “Sydney or the bush”, as if those are the only options. By bush, I take that to mean relatively remote areas, certainly not to mean regional centres.

I think the role of regional centres or intermediate cities and towns, as they’re often called, is enormously important and that one of the things — just as we need to get together with other countries in our region in the supra-national sense, so I think it’s enormously important for people in rural areas to come together much more closely on a regional level, to build up regional institutions and regional interactions. Probably, perhaps, to put aside some understandable parochialism and uncertainties by recognising the need to strengthen perhaps one particular regional centre at the focal point.

This may be a way of enabling us to reverse what is otherwise going to be a drain that I think will increase, not only from the bush, the remote areas and the rural areas, to the cities but also from the cities to Sydney and Melbourne, and particularly Sydney. And that will be enormously damaging for the country in the ways that you can speak of better than I do.

I want to finish by just mentioning a hobby horse of mine which I couldn’t leave unsaid and that is the crucial importance of tax reform in order to generate the resources that are needed for this. Kim Beazley said a lot of very good things. I hope he’s got his tax plans together for working out how he’s going to get the revenue to pay for them because a lot of what both sides have done — you will have seen Keating crowing in the paper last week that he’d reduced tax much more than Margaret Thatcher had done; an odd thing for a Labor Prime Minister to crow about — but we have massive problems in the erosion of our tax base. The fact that we’ve had to increasingly rely on the unfair consumption tax is but one example. A lot of this is driven incidentally by tax competition from overseas, by the race to the bottom in terms of allowing tax loopholes, cutting tax rates.

One of the things that I’ve been working on the most in the last couple of years is trying to encourage more international co-operation on tax reform and I think, funnily enough, there is some movement in that direction now driven by the European Union. That’s enormously important to enable us to raise proper levels of revenue and to raise it in a fair way, rather than at the moment, as we have to, to increasingly cut taxes on the rich people and load it onto the poor. Cut it on the rich people because if we don’t do that then they’ll take their money away and put it elsewhere.

So broad-based tax reform aimed at cutting out massive tax avoidance and a failure to tax assets adequately, the major indicator of wealth, is a very high priority for us. Unless we do that, we won’t have the resources for all the crucial things that we need to do to build not only health services but so many other services in rural areas. And, in finishing, I just want to say what’s perhaps obvious and why this meeting is particularly timely, that this is a time when the rural and regional interests are perhaps foremost on the political radar.

I think in some ways rural communities may have to play the role that mining communities historically played in times gone by in being driving forces demanding
social justice and social change, being the spearheads of social change, perhaps for two reasons. Firstly, because they were amongst those that suffered the most acutely from the injustices and, secondly, because we’re relatively cohesive communities. So I hope that rural communities, while those of us who are not there will also seek to do whatever we can — I think it’s crucial that rural communities do act as a spearhead, are angry, are demanding change, but that you do it for the sorts of longer-term broader infrastructural changes and the social justice changes with which you’re so familiar rather than for fleeting political goals.

AUTHOR

The notion of helping others strikes a particular chord for Australians — it rests at the heart of that uniquely Australian ideal of mateship. It has been a paramount theme for much of Julian Disney’s life … Perhaps it was the influence of his mother, who took on a job at a citizen’s advice bureau after his father died, but Julian chose to take up the cause of the underprivileged and Australia is a better place because of his efforts.

For most people in this material age, an honors degree in law and a Rhodes scholarship to Oxford would have been seen as a ticket to personal wealth. For Julian Disney it represented a chance to improve the well-being of others … and he has helped millions of the poorest Australians. His efforts have been, perhaps, best recognised through his terms as president of the Australian Council of Social Service and President of the International Council on Social Welfare.

But it has been Julian’s pioneering work in exposing the direct links between economic policy and social impact that has created his enduring legacy. In 1994, he was appointed an Officer of the Order of Australia (AO). In 1999, he was awarded an Honorary Doctorate of Laws by the University of New South Wales. He is presently Professor and Director of the Social Justice Project at the University of New South Wales. Julian is currently a member of the Welfare Reform Consultative Forum.