

Rlean Dr. Henry

Inquiries into Social Security and Taxation

I write in relation to the reviews of the Australian social security system and taxation system. My submission is in the form of a proposal to construct the social security system in a way which would improve equity and remove inefficiencies.

Essentially, I am proposing that:

- the main income support system is paid by Taxation, as was the case between 1910 and 1927.
- the main income support is in the form of a universal Basic Income paid to each individual permanent resident; it is paid irrespective of marital or other social status, irrespective of income or wealth, and irrespective of whether the individual works or not; and would have no conditions attached other than the need to establish permanent residence.
- Ideally, no distinction would be made in the rate of payment on the basis of age (but I do accept that in the short term, in order to garner widespread acceptance, a lower rate might be needed for children living in the family home).

A Basic Income along such lines will promote egalitarian solidarity but would not on its own ensure equity, some residual services and payments will be required to be provided by Federal and state governments and by non-government not for profit agencies in order to deal with issues of disability, illness, child and other care responsibilities.

The rate of payment would have to be slightly above the single age pension rate if some poorer people are not to lose in the changeover. Thus, under a Basic income many poor people currently discriminated against, by the existing social security system, will be lifted out of poverty.

The rate of taxation required in the short term would be in the order of 43-47% and would be payable on the first through to the last dollar earned (the Irish Government has done a lot of work in this regard see their September 2002 Green Paper entitled *Basic Income*).

Because each individual receives the equivalent of the age pension the net rate of taxation on earned income would be slightly less than under the existing system for all workers earning up to the average male weekly earning (two thirds of all workers); those earning more than the average wage would pay slightly more tax and those on high incomes significantly more.

Those who currently receive superannuation do not pay tax and this system could continue – but if they wished to receive the Basic Income, they would have to pay the full rate of tax on their superannuation. It would, however, be simpler to treat superannuation as income and pay everyone the Basic Income.

I am attaching my latest paper “Individual rights, collective rights and Basic Income” which looks at some of these issues but there is a vast body of literature on the subject of Basic Income which can be found on the Basic Income Guarantee Australia website:
<http://www.basicincome.qut.edu.au/index.jsp>

Of particular relevance to the current Australia inquiries is my e-Book: *Income Insecurity: The Basic Income Alternative*

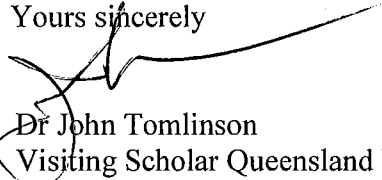
<http://www.basicincome.qut.edu.au/interest/e-books.jsp>

Basic Income Guarantee Australia is a national affiliate of the Basic Income Earth Network
On whose web site a huge array of academic papers can be accessed.

<http://www.basicincome.org/bien/>

The Basic Income debate is intensifying in many parts of Europe, Latin America, Southern Africa and Canada. The last time there was as much international interest in the income maintenance debate Australia (through the Henderson Poverty Inquiry and Treasury's Priority Review Staff) made a significant contribution. It would be a pity if we sleep through this revival in interest in Basic Income throughout much of the world.

Yours sincerely



Dr John Tomlinson

Visiting Scholar Queensland University of Technology.

Postal address 67 Finnie Rd, Deagon Queensland 4017. (07) 32699958

Individual rights, collective rights and Basic Income

Basic Income proposals, at least in their 20th and 21st century western manifestations, most commonly involve a payment made to individuals rather than to families, households or any other group of people. Because of this, the concept of a Basic Income runs the danger of being criticised as promoting individualism over collective solidarity. Standing (2004, pp.23-33) provides a detailed discussion of such claims.

This paper argues that choosing the individual (rather than the family or some other group) as the unit of payment allows a Basic Income to ensure both individual autonomy and collective well-being. This is primarily because of the unconditional and universal nature of a Basic Income.

Means-tested / categorical payments, irrespective of whether individuals or families are the unit of income, have the capacity to create divisions between sections of society. A notorious example of this was the Howard Liberal Coalition Government's claims that unless lone parents and unemployed people gave something back to society in return for receiving poverty-line income support, they were free loading (Howard 1999, 2000). Such claims generated a downward envy in the minds of many working class people (Tomlinson 1999). This in turn allowed the Coalition Government to add disability support pensioners to the list of people to be denigrated.

The present paper further argues that the payment of a Basic Income to individuals rather than to families (or some other group) not only enhances the autonomy of all individuals, it provides the best basis for promoting the interests of families, households, villages and entire nations. A Basic Income promotes collective solidarity without paternalistic intervention in the lives of individuals.

Introduction

In the mid 1960s I was employed as a social worker in the Commonwealth department responsible for social security payments. There I encountered many situations where individuals were refused a welfare payment because of their relationship with a partner who was expected to support them. There were also times when a person might become entitled to a payment by establishing they were the partner of someone who qualified for an age or disability support pension. It seemed to me then as now that the individual should be the unit of payment in relation to applying welfare means tests as well as for calculating income tax.

In Australia, in the late 1960s and early 1970s, poverty emerged as a political issue (Stubbs (1966), Henderson Harcourt, and Harper 1970). The McMahon Liberal Coalition Government responded by setting up the Henderson Poverty Inquiry to research the issue. In 1972 the incoming Whitlam Labor Government greatly expanded the Inquiry. The first main report of the Inquiry entitled *Poverty in Australia* was released in 1975 and in Chapter 6 Henderson advocated introducing a guaranteed minimum income and proposed using the family as the unit of income (further discussion of this history can be found at Tomlinson 2003, Chapter 9). The Labor Government was initially supportive of the idea but soon became preoccupied with trying (unsuccessfully) to survive.

During this brief period of Labor rule (1972-75) a number of other reports were released which impinged on the income maintenance and tax debates. One, the Asprey Committee on Taxation, held that: "The right to be taxed as an individual has always been accorded in Australia. At a time when women are playing an ever greater role in the economic and other affairs of society, the withdrawal of this right would certainly be regarded as a retrograde step. (p. 134)". In fact, at the time, the taxation system did allow an income earner to claim deductions for medical and educational expenses incurred by children and unemployed spouses. In 2008 in Australia there are several family tax benefit schemes and taxation avoidance mechanisms such as family trusts.

Another contemporaneous report which had relevance in relation to income maintenance, proposed that Australia develop a social insurance superannuation scheme along similar lines to New Zealand (Hancock 1976). The Hancock scheme would have provided a form of social insurance providing no fault accident coverage and income support in old age. In the late 1980s the Labor Government greatly expanded the privatized superannuation industry by making it compulsory for employers to pay superannuation payments for most workers. During 1991 the Australian Capital Territory's Council of Social Service, in an aptly titled monograph "The Super Tax Rort", criticised the expansion of the privatised superannuation industry. Privatised superannuation, as Gerard Hughes (2008) has demonstrated in relation to Ireland and New Zealand, undermines egalitarianism when compared with social insurance and other government controlled pension systems.

For most of the 20th century in Australia the industrial arbitration system took account of the family. The "family wage", later more commonly referred to as the "basic wage", was introduced nationally in Australia by the 1907 Harvester judgement in the Arbitration Court. This "family wage" was intended to be sufficient to support a man, his wife, and three children. The introduction of the family wage in Australia clearly provided the average man who was lucky enough to be in regular unionised employment with the "capacity" to support a wife and a small number of children. Such a policy could be implemented because of the then widespread acceptance of a sexual division of labour (in terms of men's and women's jobs). The Harvester judgement simply confirmed existing gender discrimination. It was to condemn the female workforce to a wage rate of approximately 54 to 70 per cent of the male rate for over 50 years. Cass (1983, p.62) reports a study of women workers in Australia in 1928 which showed that 30 per cent were helping to support or totally supporting other family members. Whelan (1979, p.55) notes that at the time of the Harvester judgement, 45 per cent of male workers were single. It was not until 1974, with the Commonwealth Arbitration Court's equal pay decision and the signing of two International Labour Organisation Conventions by the Whitlam Government, that the principle of equal wages for equal work was accepted nationally. Widespread gender segmentation in employment means that women, on average, still earn considerably less than men (Broderick 2008).

Intra-family income transfers

One of the myths which had sprung up about families was that in most, if not all, there is an equitable sharing of wealth: or at least that everybody receives sufficient, provided there is something for all to share. This myth requires its adherents to adopt a belief in a form of trickle-down economics. No real attempt had ever been made to verify the fact that income in

households was indeed shared equitably. At the time it provided a very comfortable belief for those who argued the importance of maintaining family structures.

In 1975, the Australian Government's Taxation Review Committee, headed by Mr Justice Asprey, found that a high degree of sharing "is by no means universal. In some marriages, and not by any means only unhappy ones, almost completely separate patterns of spending and enjoyment may be the rule." (p.135). Later work by Meredith Edwards (1981) clearly established the inequitable nature of many intra-family transfers; she worked hard to end the myth that providing funds to one family member ensures that all family members are adequately remunerated.

Whilst governments maintain the myth of the stereo-typical nuclear family (with its presumed equitable intra-family transfer of income) it is not necessary for them to address the reality of the frequent inequalities which are prevalent inside families. If governments were to accept the presence and frequency of the massive inequalities in intra-family income transfers, they would be hard pressed to justify basing income maintenance policy on the presumption that all members of a family will be looked after if one member receives sufficient income to allow him or her to provide for all. They would be forced to recognise that if equity or equality was the intended goal of social welfare policy, even if limited to equal treatment of the poor, then it would be necessary to create policy around individual equity rather than persevere with the myth that providing money to one member of a family will result in equitable treatment for all family members.

Whilst governments can maintain the pretence that intra-family transfers are equitable, or at least not the business of government, they are protected from the need to account for the lack of total cover in income maintenance policies. Governments get away with the vague suggestion that the current package of welfare benefits, when coupled with wages policies, ensures there is a safety net below which no-one falls. It was the conservative Canadian Senator Hugh Segal, at the 2008 Basic Income Earth Network Congress, who pointed to the fact that:

The case for the status quo in present governments' approaches might be sustainable if it could be argued that the present spider web of programmes (sticky enough to entrap but not strong enough to support) had produced real progress; less poverty overall; higher levels of return and enhanced productivity in the labour market; greater independence and increased consumer confidence. Sadly, there is no such productive progress to report (pp. 3-4).

I first became aware of the intensity of this collective/individual debate in relation to income support payments in the early 1990s when I met with the national director of Catholic Social Services in Australia, seeking his support for the introduction of a Basic Income. He strongly supported the then (and still existing) Australian social security practice of paying means tested benefits and pensions using the family as the unit of payment. He felt that such practices helped keep families together. As I write this paper I have recently returned from the 2008 Basic Income Earth Network Congress in Dublin which was hosted by CORI (the Conference of the Religious of Ireland) which has many similar functions to Catholic Social Services in Australia. CORI has been advocating for a Basic Income *paid to individuals* since the mid 1990s.

Only the most dogmatic would hold that paying a government benefit to an unemployed spouse would weaken the marriage bonds. Available evidence shows that marriage break-up amongst people who are unemployed happens substantially more frequently than for those who are employed. Anything which decreases the financial pressures on families experiencing unemployment is likely to increase feelings of certainty and security and as such, it would be likely to help sustain marriage.

It has been argued that the major attraction for government of adopting the family as the unit of payment of income maintenance is that *it transforms an individual in need into a person who is dependent upon a spouse or a parent and therefore is no longer in need of support from the State*. During the 1970s when the United States of America took its most serious look at introducing a Negative Income Tax (a form of income guarantee), it was the issue of the 'dependency' of women which most worried the Senate Committee on Finance who were vitally concerned to know "if the incentives built into the negative tax would stem the rising Aid for Dependent Children outlays by getting women to work more (Williams 1972 p. 41, see also Moynihan 1973)". This is a frequent theme in United States' welfare debates (Mink 1998, Leonard 1997 pp. 19-20).

I shall shortly attempt to expose the essential patriarchal assumptions which inform the choice of the family as the income unit. This is particularly the case in societies where males are the main income earners in a family.

The essential point developed so far is that if the intention of the income maintenance system is to promote equity and to maximise opportunities for all family members then it is counterproductive to use the family as the unit of payment. The only viable alternative to the family is to use the individual as the unit of payment in both the social security and taxation systems.

Paternalism

Standing has written at length about the damaging impact of paternalism in the lives of those reliant upon the state for income support. In his 2002 text *Beyond the New Paternalism*, he makes the point that by the last quarter of the 20th century the concept of the "right to labour almost collapsed" due to widespread unemployment but that by the end of the century "a remarkable chorus of politicians and commentators were preaching that everyone had a duty to labour. People had to be responsible and to contribute, and unless they took jobs or took training to prepare for jobs, they were undeserving of state support (p. 9)."

Goodin (2000 p.58, 1988) explains that, whilst the commanding ethos of the post war welfare state relied on the assumption that the collective would meet the basic needs of vulnerable individuals, it was not intended that any individual should totally escape the need to be self supporting, whenever possible. Goodin (2001 p.198) makes the point that: "If we seriously believe that work is good for you and that it is the state's legitimate role to force you to do it, then we would have no grounds for confining our paternalism to the poor. Paternalistically speaking, it would be equally important to make the rich work too."

Hugh Stretton (1996) and others (e.g. Goodin 1988 p. 7) see in the imposition of individualised obligation and eligibility determinations a return to the charity system of the Poor Laws, so aptly described by Polanyi (1945). Whilst stigma is a problem embedded in every targeted welfare system (Boston and St. John 1998, Tomlinson 2003 Chapter 2), it is in relation to 19th century English workhouses that it is most clearly observed. Sanborn (1899), cites Charles Lamport (1870) to support this point:

Its *practice* is, that no destitute person, however meritorious, can benefit by this organization without having to pass under something very like the old Roman yoke. On the one side of the Caudine forks, a man stands erect, self-respecting and respected, and with name unstained; on the other side he crouches, a changed and degraded being. He has become a social pariah, hopes destroyed, spirit crushed, reputation gone. Society, before it yields what it dare not refuse, so embitters the morsel by contempt that neither giver nor receiver is blessed in the act.

When comparing the security which a Basic Income provides with the uncertainty inherent in paternalistic welfare regimes Standing (2006) wrote:

...we are talking about basic security as an economic and social right. This is essentially a republican or claim right, developed by Rousseau, Thomas Paine and others. ...A right...is unconditional in behavioural terms. You do not have a right if you have to do x, y and z in order to have an entitlement. ...

Second, we are talking about basic security. Basic means it must be meaningful, not a gesture...

Third, for basic income security, the income must come in a form that is nonpaternalistic. It should not be given to you as a discretionary gesture, in the goodness of somebody's heart; it is not charity. It must be in a form that you can decide how to use it. It must be individual and must be equal (pp. 5-6).

The Macquarie Dictionary defines "paternalism" as: "the principle or practice, on the part of a government or of any body or person in authority, of managing or regulating the affairs of a country or community, or of individuals, in the manner of a father dealing with his children (Delbridge, Bernard, Blair, Peters, and Butler 1991 p. 1300)." At an individual level the word "paternalism" evokes an image of a stern, concerned father acting in what *he* perceives as the best interests of *his* perverse children. But women as well as men have happily imposed their views on the lives of others. Jocelyn Newman when she was a welfare minister in the conservative Howard Liberal Coalition Government released a discussion paper purporting to set out *The Challenge of Welfare Dependency in the 21st Century* but any fair-minded reading of that paper shows her intention was to encourage people to find an alternative to 'living on welfare' in order to prevent 'dependency' upon the government. It is little wonder that Minister Newman was so concerned about preventing dependency in others – when she retired she received three generous parliamentary pensions - one in her own right and two wives' pensions in respect to both her deceased husbands. One had been a member of a state parliament and the other a Federal parliamentarian.

Amanda Vanstone as Minister for Immigration intervened adversely in the lives of many asylum seekers in a manner which was only slightly less oppressive than her male predecessor, Phillip Ruddock. Jenny Macklin, currently Minister of Indigenous Affairs in the Rudd Labor

Government has maintained many of the policies of the Howard Government's Northern Territory Intervention, particularly the practice of "quarantining" half the social security payments of Indigenous people on 73 Northern Territory communities so that the money can only be spent at specified stores on a limited range of goods approved by the government. This "quarantining" provision necessitated the suspension of the Racial Discrimination Act when it was introduced by Mal Brough during the last year of the Howard Government (Altman and Hinkson, 2007).

The Macquarie Dictionary defines "maternal" as to having the qualities of being a mother (p. 1098) and "paternal" as befitting a father (p. 1300). Interestingly, the word "maternalism" is not part of the English language. Governments, even governments made up predominantly of men, have no gender. Yet there is no word to describe the exercise of female authority in government. We maintain a clear distinction between concepts of matriarchy and patriarchy, yet the distinction between maternal authority and paternal authority apparently evaporates once governments come to exercise authority over the less privileged in society. Maggie Thatcher, a "Lady not for turning", nick named "The Iron Maiden", is a commonly conjured image of a dominating female political figure in the West. Indra Gandhi is probably her closest counterpart in the East.

In attempting to locate a word without the gender connotations of "paternalism", it seems to me that what Standing and Goodin call paternalism is a form of domination and at times dictatorial intervention in the lives of others.

Obviously people don't need to be compelled to do what they intended to do. Paternalistic supporters of workfare, like Lawrence Mead (1968, 1986, 1997), who assert that they help the poor escape their poverty and dependency (by forcing them to take low paid workfare jobs) because that is what the poor really want for themselves, have a hard case to make. One of the earliest critics of such assertions was Franz Fanon, who, in his *The Wretched of the Earth*, asserts that:

colonialism therefore did not seek to be considered by the native to be a gentle, loving mother who protects her child from a hostile environment, but rather as a mother who constrains her fundamentally perverse offspring from managing to commit suicide and from giving reign to its evil instincts. The colonial mother protects her child from itself, from its ego, and from its physiology, its biology and its own unhappiness which is its very essence (1967 pp. 169-170).

In the case of the Northern Territory Intervention, the paternalists in the Howard and Rudd Governments are restraining their unruly Aboriginal charges not so much in the Aborigines' own interests but allegedly in the interests of the Aboriginal people's children. Government ministers seem blissfully unaware that since the earliest days of the colonial adventure in Australia government policy claims to have been directed at saving the Aboriginal children because the adult Indigenous were considered by whites to be beyond salvation (Tomlinson 2007). In relation to Australia's treatment of asylum seekers during the Howard Government, it would be impossible to argue that the Government was acting in the interests of the asylum seekers. Clearly it was acting in the interests of the Liberal Party and the majority of the established citizenry.

Life with a Basic Income

For well over a decade it has been recognised that a major problem facing advanced economies is the existence of too many workers chasing too few private sector jobs (partly as a result of the economic fundamentalist success in drastically cutting the number of public service jobs) (Rifkin 1994, Omerod 1994, Gorz 1999, Boreham, Dow & Leet 1999, Stilwell 1999, 2000). Stigmatising, selective, targeted, categorical welfare payments, coupled with 'mutual obligation' and other compelled activity scenarios, are tackling *a* problem - the trouble is that they are tackling the *wrong* problem.

Stigma is embedded in every targeted welfare system, mainly because of the detailed inquisitorial nature of assessing who is and who is not "worthy" to receive the payment. The more discretion given to the dispenser of assistance the greater the danger of abuse by the assessor and the less certainty of eligibility there is in the mind of the applicant.

The cost of existing systems is systematically underestimated. ... (they) are riddled with poverty traps, unemployment traps, savings traps and *behavior traps* that are arbitrary, inefficient and inequitable. This is partly because of the selective, means-tested and behavior-conditioned schemes. It is also partly because of the growing flexibility of working patterns and lifestyles. The response of bureaucrats and politicians almost everywhere has been to tighten conditions for entitlement and extend paternalistic controls (*italics in original*, Standing, 2004 pp.24-25).

A Basic Income, because it provides a known financial advantage for every extra dollar earned, abolishes both poverty traps and work disincentives (Lerner, Clark & Needham 1999 pp. 20-21). Gorz (1999 p.85) claims "The *universal, unconditional* grant of a basic income is, therefore...the best instrument for redistributing both paid work and unpaid activities as widely as possible (*italics in original*)."

It seems an absurd proposition made by economic fundamentalists that the mode of production has to be deregulated for the sake of 'efficiency' but that the system of welfare redistribution should be increasingly regulated. Such ways of assessing eligibility result in a very inefficient method of benefit delivery because of:

- the intrusive nature of enquiries which need to be made,
- the degree of detail required to be ascertained, and
- the multiple variables which need to be taken into account in such a process.

Autonomy as solidarity

A Basic Income promotes collective solidarity without paternalistic intervention in the lives of individuals. In 1975 Jeffrey Galper suggested that:

Contrary to the present reality, the ideal situation would be one in which the individual's maximum contribution to the society as a whole would be, simultaneously, exactly that person's maximum contribution to his or her own self-development. In a truly humanized society the ideal towards which we would strive would be the elimination of the duality

between actions which primarily benefit the individual actor and those which benefit others (p. 48).

A Basic Income paid to individuals would ensure the married were not disadvantaged compared with the unmarried. By providing a financial incentive, it would encourage family formation and stability - but would not of itself enforce any particular view of appropriate morality. It would allow family members who felt that continued cohabitation was intolerable to leave and set up on their own or in co-operation with others. Thus, the selection of the individual as the unit of payment increases freedom, diversity and individualism, all of which are central liberal values.

A Basic Income is a universal payment which does not evoke ethnic divisions and destructive competitiveness. Because it paid equally to all individuals, as a right of permanent residence, it does not encourage a politics of downward envy (Tomlinson 1999).

Escaping poverty

Recently there have been several Australian social welfare agencies advocating for an increase in funding for single age pensioners. They have drawn attention to the plight of this predominately female group, although there is a significant group of single men who are having difficulty surviving on Australian social welfare payments. Currently a single pensioner gets paid 60 per cent of the pension rate for a couple.

It might appear at first glance that this issue could be addressed by using the family as the unit of income for calculation the pension rate. A superficial look at the situation might suggest that the problem could be overcome by leaving the partnered rate where it is but substantially increasing the single pension rate. But this would have a number of undesirable consequences.

What needs to be recognised is that many unemployed people, sickness beneficiaries, students and others on various forms of allowances are forced to live on social welfare payments far below that which single aged pensioners receive. In recent years the criterion used to determine who is paid a disability support pension and who is placed on a Newstart unemployment benefit has been considerably tightened. This now means that people with severe disabilities who are considered capable of working 15 hours a week are forced to meet the eligibility requirements which apply to all unemployed people.

In Australia the single age pension rate is set at about 25 per cent of average weekly earnings and this is also about the rate of the Henderson poverty line. In many European Common Market countries the poverty line is set at about 60 per cent of average weekly earnings and many countries pay social welfare at about that rate.

To address poverty in Australia, the real issue is not about fiddling with the unit of income but rather substantially increasing the rate of payment of social welfare to bring Australia more into line with the European Common Market countries.

If equity was a serious consideration: A conclusion

Were Australia to move away from its history of a “needs based” means-tested social welfare safety net towards a poverty prevention scheme (such as a Basic Income), then many of the serious inequalities and inequities, which are rife in the existing social welfare system, could be addressed.

Even if it were fair to insist that fully fit unemployed people meet certain participation requirements before they would be paid a Newstart unemployment benefit, there is no equity in insisting that someone who is only considered capable of working 15 hours a week meets identical participation requirements.

Aboriginal people die on average 17 years younger than other Australians. In Queensland, South Australia, Western Australia and the Northern Territory, three-quarters of Indigenous male and two-thirds of Indigenous females die before the age of 65 years compared with the Australian population as a whole where one-quarter of males and one-sixth of females deaths occur before that age (ABS and AIHW 2003, p183). The age pension is paid at age 65 for men and at a slightly younger age for women. Three-quarters of Aboriginal men die before they can qualify for an age pension. So even though Aboriginal people have the same entitlement to receive an age pension the outcome, when compared with other Australians, is neither equal nor equitable.

The bureaucratically-sophisticated easily manoeuvre their way around Centrelink’s requirements and get paid their benefits. Those who are poorly educated, people with severe mental health or addiction difficulties and those who are less bureaucratically-sophisticated (though they are often suffering greater financial hardship) are frequently breached for 8 weeks or have their payments indefinitely withheld.

De Wispelaere and Stirton (2008) suggest any administratively efficient social policy scheme “must tell us (1) how one becomes eligible to receive the grant; (2) who amongst the general population ought to receive the grant; and (3) how we ensure that those who are eligible (and *only those*) effectively receive their entitlement (p. 4)”.

Often there are considerable similarities between people who have a combination of a partial physical impairment, a minor mental health or personality problem and a recent poor work history. Yet the type of benefit they are paid can vary widely depending on who they see and how they are assessed:

- one person could be rejected on the grounds they won’t meet their participation requirements,
- another could be considered as not capable of working 15 hours a week and provided with a disability support pension,
- another could be found to have a temporary illness and placed on sickness benefit,
- another could get Newstart unemployment benefit, and
- another might just have had their 65th birthday and so be given an age pension.

Then, given that the Australian system uses the family as the unit of income, even if the person meets all the requirements for payment of a benefit or pension but they are living with a partner,

the partner's income and assets will determine whether the person actually receives any payment. Given such disparity in possible outcomes for applicants, there is no way that Australian governments can claim they are capable of eradicating poverty whilst they persevere with the existing system of welfare.

Paul Spicker (2007) notes that many of the Northern European welfare systems which most effectively deal with poverty are social protection systems rather than poverty alleviation schemes, and he asserts that "If a system is based on support for everyone, poor people will also be helped. If it supports only the poor, some are likely to be excluded (p.136)."

It is a nonsense to suggest that the inordinate complexity, invasion of privacy, stigma inducing practices of the Australian social welfare system results in a fair distribution of payments in line with people's needs. *It is not possible to know if what occurs is equitable or reasonable.* "Need", like beauty, is in the eye of the assessor. No two people will come to identical assessment of need. But we do know that the Australian social welfare system does not treat all applicants for assistance equally.

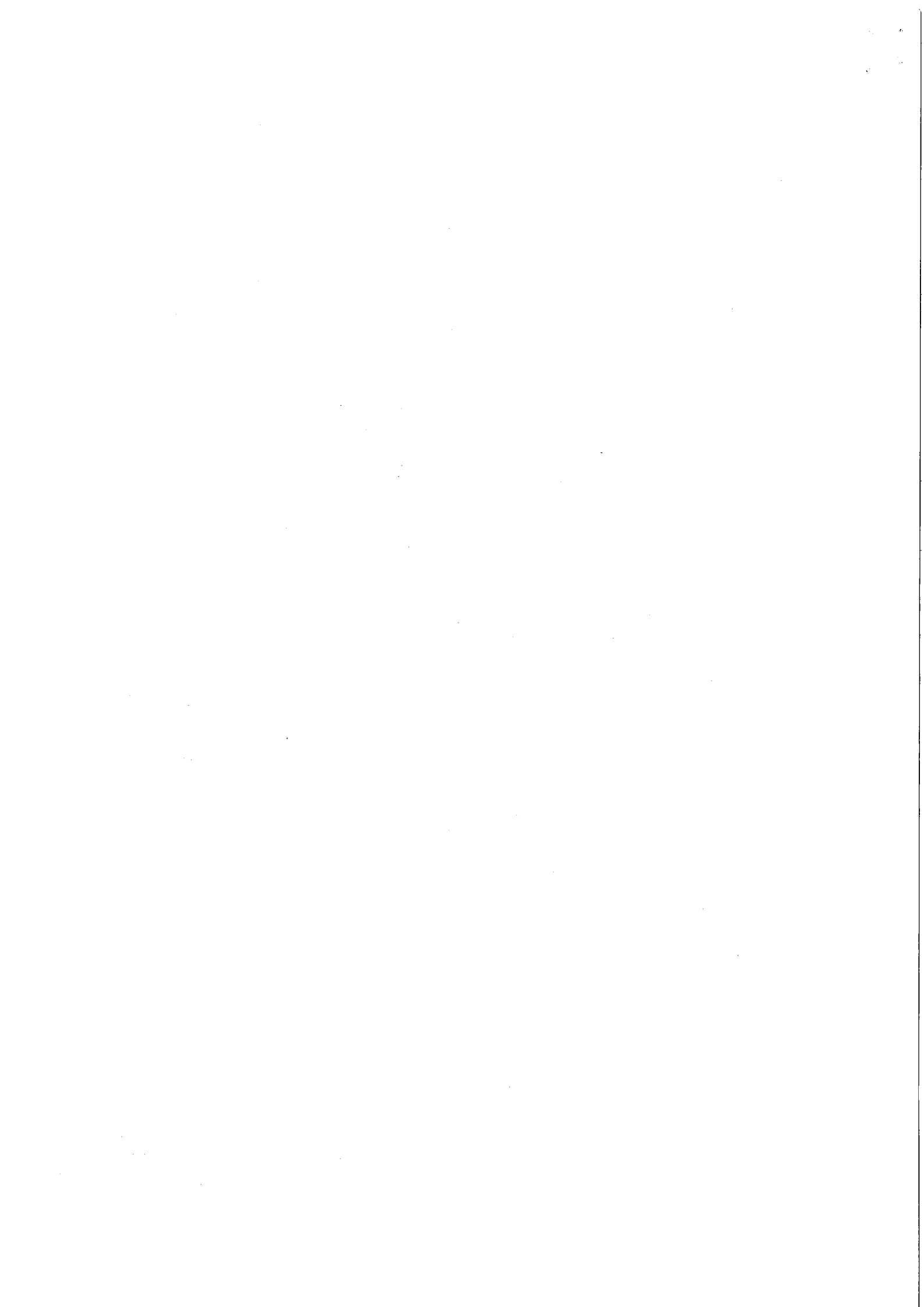
De Wispelaere and Stirton (2008, p. 5) claim that Basic Income schemes, because they are universal and entail no conditionality apart from establishing residency, are unlike participation income schemes and many targeted social welfare programs in that they avoid the problem of having to tightly define standards of eligibility.

Is a Basic Income capable of treating all applicants for assistance equitably? The answer is of course "No". But it is capable of treating everybody *equally*. A Basic Income, provided it was paid (using the individual as the unit of income) at a rate above the poverty line, would abolish poverty. Governments would be in a position to know how much income support they were paying to each and every permanent resident of the country and would be far better placed than they are now to work out what extra goods and services are required in order to promote equity and social justice throughout the land.

Bibliography.

- ABS & AIHW (2003) *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples*, ABS Cat.4704.0
- Australian Capital Territory's Council of Social Service (1991) "The Super Tax Rort." ACTCOSS, Canberra.
- Altman, J. & Hinkson, M. (eds.) (2007) *Coercive reconciliation*, Arena, North Carlton.
- Asprey, K. (1975) *Taxation Review Committee: Full Report*. Australian Government, Canberra.
- Boreham, P., Dow, G. & Leet, M. (1999) *Room to Manoeuvre*. Melbourne University, Carlton South.
- Boston, J. & St. John, S. (1998) "Targeting versus Universality: Social Assistance for All or Just for the Poor. in Boston, J. Danziel, P and St. John, S. (eds.) *Redesigning the Welfare State in New Zealand*. Oxford University, Auckland.
- Broderick, E. (2008) "What Matters to Australian Women and Men?" *InSight*, August.
<http://cpd.org.au/article/what-matters-australian-women-and-men>

- Cass, B. (1983) "Redistribution to children and to mothers: a history of child endowment and family allowance." in Baldcock, C. and Cass, B. *Women, Social Welfare and the State*. George, Allen and Unwin, Sydney.
- Delbridge, A., Bernard, J., Blair, D., Peters, P., & Butler, S, (eds.) (1991) *The Macquarie Dictionary Second Edition*, The Macquarie Library, Sydney.
- De Wispelaere, J. & Stirton, L. (2008) "Why Participation Income Might Not Be Such a Great Idea After All." *Citizen's Income Newsletter*.
- Edwards, M. (1981) "Financial arrangements within families." *Social Security*, December.
- Fanon, F. (1967) *The Wretched of the Earth*. Penguin, Harmondsworth.
- Galper, J. (1975) *The Politics of Social Services*. Prentice Hall, Englewood Cliffs.
- Goodin, R. (2001) "False Principles of Welfare Reform." *Australian Journal of Social Issues*. Vol. 36, No. 3, August. pp.189-206.
- Goodin, R. (2000) "Whither the Welfare State." in Hancock, L. Howe, B. & O'Donnell, A. (eds.) *Reshaping Australian Social Policy in Growth* Vol. 48 November, Committee for Economic Development of Australia, Melbourne.
- Goodin, R. (1988) *Reasons for Welfare: The Political Theory of the Welfare State*. Princeton University, Princeton.
- Gorz, A. (1999) (trans. Turner, C.) *Reclaiming Work: Beyond the Wage Based-Society*. Polity, Cambridge.
- Hancock, K. (1976) *A National Superannuation Scheme for Australia*. Australian Government, Canberra.
- Henderson, R., Harcourt, A. & Harper, R. (1970) *People in Poverty: A Melbourne Survey*. Cheshire for the Institute of Economic and Social Research, Melbourne.
- Henderson, R. (1975) *Poverty in Australia, First Main Report*. Vols. I & II. Australian Government, Canberra
- Howard, J. (1999) "Building a Stronger and Fairer Australia: Liberalisation in Economic Policy and Modern Conservatism in Social Policy." Address to 'Australia Unlimited Roundtable.' 4th May www.gov.au/media/pressrel/AustralaiUnlimitedRoundtable.htm
- Howard, J. (2000) "Quest for a decent society" *The Australian* 12th Jan, p.11.
- Hughes, G. (2008) "The Case for a Universal state Pension: Lessons from New Zealand for Ireland's Green Paper on Pensions." in CORI Justice (eds.) *Making Choices-Choosing futures: Ireland at a Crossroads*. CORI Justice, Dublin.
- Lerner, S. Clark, C. & Needham, W. (1999) *Basic Income: Economic Security for All Canadians*. Between the Lines, Toronto.
- Leonard, P. (1997) *Post Modern Welfare*: Sage, London.
- Mead, L. (1997) *From Welfare to Work : Lessons from America*. Institute of Economic Affairs, Health & Welfare Unit, London.
- Mead, L. (1986) *Beyond Entitlement: the social obligations of citizenship*. Free Press, New York.
- Mead, M. (1968) "Some social consequences of a guaranteed income", in Theobald, R. (ed) *Committed Spending: A Route to Economic Security*. Doubleday, New York.
- Mink, G.(1998) *Welfare's End*. Cornell University, Ithaca.
- Moynihan, D. (1973) *The Politics of a Guaranteed Income*. Vintage, New York.
- Newman, J. (1999) *The Challenge of welfare Dependency in the 21st Century*. Department of Family and Community Services, Canberra.
- Omerod, P. (1994) *The Death of Economics*. Faber & Faber, London.
- Polanyi, K. (1945) *The Great Transformation*. London, Victor Gollancz.



- Rifkin, J. (1994) *The End of Work: The Decline of the Global Labour Force & the Dawn of the Post-Market Era*. Putnam, New York.
- Sanborn, F (1899) "Pauperism." in Lalor, J. (ed.) *Cyclopaedia of Political Science*. Maynard, Merrill & Co., New York. Posted at Library of Economics and Liberty. <http://www.econlib.org/library/YPDBooks/Lalor/lCy811.html>
- Segal, H. (2008) "Moving to Basic Income – A Right-Wing Political Perspective." Paper given at the Basic Income Earth Network Congress Dublin on 20th June.
- Spicker, P. (2007) *The idea of poverty*, Policy, Bristol.
- Standing, G. (2006) "Income Security: Why Unions should campaign for a basic income". Paper given at the Basic Income Earth Network Conference Cape Town, November.
- Standing, G. (2004) "About Time: Basic Income Security As A Right." in Standing, G. (ed.) *Promoting Income Security as a Right: Europe and North America*. Anthem, London.
- Standing, G. (2002) *Beyond the New Paternalism*. Verso, London.
- Stilwell, F. (1999) "From Economic Rationalism to Economics: As if people matter. *Just Policy*. Vol. 15, April.
- Stilwell, F. (2000) *Changing Track: A new political economic direction for Australia*. Pluto, Annandale.
- Stretton, H. (1996) *Poor Laws of 1834 and 1996*, Fitzroy, Brotherhood of St Lawrence.
- Stubbs, J. (1966) *The Hidden People – Poverty in Australia*. Cheshire, Melbourne.
- Tomlinson, J. 2007 "220 years of saving the children." *On Line Opinion*. <http://www.onlineopinion.com.au/view.asp?article=7024>
- Tomlinson, J.(2003) *Income Insecurity: The Basic Income Alternative*. <http://www.basicincome.qut.edu.au/interest/e-books.jsp>
- Tomlinson, J. (1999) "The Politics of Envy." Union Songs <http://unionsong.com/muse/unionsong/reviews/envy.html>
- Whelan, D. (1979) "Women and the arbitration system." *Journal of Australian Political Economy*. Vol.4.
- Williams, W. (1972) *The Struggle for a Negative Income Tax*, Institute of Governmental Research. University of Washington, Seattle.

