

Why is there “no money” for basic social needs?

Mike Head—SEP candidate for the Senate in Queensland
27 May 2016

Every day in the Australian election campaign, editorials and finance chiefs are demanding that the parties of the political establishment must convince, or compel, the public to accept they are “living beyond their means.” Relentlessly, the message is being hammered out: social spending must be slashed.

According to these pronouncements, there is no alternative to the supposed “reality” that the country can no longer afford even the existing health, education and social services, and the current levels of workers’ wages and conditions, let alone any improvements in the living standards of working class people.

The *Australian* insisted on May 25: “At some stage reality must set in. We are witnessing a political contest that seems divorced from the central challenge facing this country—our deep structural budget deficit.”

In last week’s official Pre-Election Economic and Fiscal Outlook (PEFO), the heads of the Treasury and Finance departments declared that unless government spending was reduced and so-called “structural reform” pursued with “renewed vigour,” the international financial markets would strip Australia of its AAA credit rating.

Regardless of who wins the election, the PEFO insisted that the next government must break through the political impasse caused by the widespread public opposition that has stalled key austerity measures since the last federal ballot in 2013. Such is the utter contempt of the ruling class for democracy.

This is a global offensive. All around the world, from Greece and France to the US and throughout Asia, governments are seeking to dismantle even the most crucial social programs—welfare entitlements, minimum wages, retirement pensions, and access to education and healthcare—because of the worsening breakdown of world capitalism that erupted with the 2008 financial

crash.

Resource export countries like Australia, which originally avoided the worst of the meltdown because of China’s debt-fuelled growth, have been drawn into the maelstrom of falling prices and slump. This has intensified the demands of the money markets for a full-scale assault on public services.

In Australia, three decades of pro-business “restructuring,” starting with the Labor governments of Hawke and Keating in the 1980s and 1990s, already have left millions of households struggling to make ends meet. Essential services—hospitals, schools, social facilities and public infrastructure—are chronically under-funded and over-stretched. Social inequality has widened to obscene levels. Alongside devastating job losses, mass youth unemployment, soaring housing costs, homelessness, poverty and suicides, the 200 richest individuals have accumulated collective personal wealth of \$197.3 billion, more than trebling their fortunes since 2000.

But now, say the representatives of finance capital, there must be an even more brutal offensive against working-class people. “There is no money” to meet the most basic social needs.

Labor Party leader Bill Shorten faithfully echoed this message yesterday. Labor, he said, would abandon its pledges to reverse three major welfare cuts by the Liberal-National government. Shorten claimed that “a very tough financial situation” had tied the party’s hands, because “our AAA credit rating is under threat.”

Taken together, the abolition of “schoolkids bonus” payments to families, the harsher assets tests for retirement pensions and the cuts to aged care services, will strip an estimated \$8.1 billion from the young and the elderly over the next four years. Labor previously called these cuts “huge” and “unfair” because they

would hurt “so many struggling families.”

In effect, Labor’s populist campaign slogan—“We’ll put people first”—has been ditched. Shorten issued a new “rock solid” commitment: “The only policies that we will support are policies that we can fund.”

Why is it that decent living standards cannot be afforded? Is it simply a lack of natural and financial resources? Is there no alternative?

The truth is that all the resources exist to provide for the needs of everyone, not just in Australia but worldwide. In fact, vast developments in science, technology, medicine and communications have made it possible for humanity to overcome want and ensure a high quality of life for all.

But these resources flow only into the coffers of a tiny super-rich layer of society, siphoned off by way of billion-dollar profits, underpinned by ever-lower tax rates for corporations and high-income recipients, and outright fraud and tax evasion.

This insatiable drive for private profit blocks any resolution to the social crisis. Such is the anarchy and insanity of the capitalist market that there is now a global “over supply” of dairy products and an “over-capacity” of steel production.

“Over supply” and “over-capacity” for whom? There is not too much milk or steel in the world—the needs of masses of people have never been greater. How many of the world’s poor could be nourished and how many homes, rail lines, bridges and other basic infrastructure could be built? But for the capitalist system, nothing can be produced unless it can be sold for a high enough profit margin.

As the global economic crisis intensifies, fuelling bitter currency wars and financial conflicts, billions of dollars are also being splurged on a military arms race, and on boosting repressive police and spy forces domestically. There is no lack of money when it comes to fighting for control over the planet’s resources and markets, and to suppressing the growing social discontent.

In Australia, the Liberal-National government and the Labor Party are unanimous on spending half a trillion dollars over the next decade to acquire advanced weapons of war—submarines, naval ships, warplanes—and boost the armed forces. Hundreds of schools and scores of hospitals could be built with these funds alone.

Prime Minister Malcolm Turnbull’s “defence industry plan,” a centrepiece of his election platform, underscores the bipartisan commitment to Washington’s military buildup and establishment of alliances across the Asia-Pacific to confront and prepare for war against China.

The Socialist Equality Party (SEP) is advancing the only alternative—the complete reorganisation of society along genuinely socialist lines in order to secure the fundamental social rights of all, which include well-paying jobs, free, high-quality public education and health care, affordable housing and decent retirement incomes.

None of these essential requirements of modern society can be secured without ending the domination of the financial aristocracy over economic life. Social need must replace corporate profit as the guiding principle. All the large corporations—the major banks, mining and energy conglomerates, retail chains, pharmaceutical corporations and communications giants—must be taken out of the grip of the billionaires and placed under public ownership and the democratic control of the working class, the vast majority of the population.

This socialist program requires building the SEP as the mass party of the working class. For the future of humanity, we urge you to support the Socialist Equality Party 2016 election campaign and take up the fight for international socialism.

Authorised by James Cogan, Shop 6, 212 South Terrace, Bankstown Plaza, Bankstown, NSW 2200



To contact the WSWWS and the Socialist Equality Party visit:

wsws.org/contact