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Our economy

In Australia, the government and the media give extraordinary attention to the state of the economy. One of the most common talking points is jobs. “The jobless rate has increased from 4.8% to 5.0%. The government needs to take action.” “Two hundred thousand new jobs were created in the past three months.”

Loss of specific jobs can be a source of alarm. “We need to provide support [meaning a government subsidy] to the car industry, otherwise hundreds of jobs will be lost.” “A factory just closed, and 25 workers lost their jobs.”

There are lots of things to question concerning the jobs mantra. Seldom does the government talk about opportunity costs: a tariff or government subsidy to manufacturing industry could instead have been provided to a different sector, perhaps saving more jobs. Massive investment in mining of iron ore or uranium might have created several times as many jobs if put instead into solar power and energy efficiency.

One of the assumptions in these discussions is that the goal is more jobs. Hardly ever is there discussion of whether these jobs are satisfying, secure or full-time—all very relevant considering that many new jobs in Australia are part-time and not permanent. Government statistics are based on the arbitrary definition that if you work at least

one hour per week, you are “employed.” This minimal requirement is designed to boost the figure for the employment rate.

An alternative perspective is that the goal should not be jobs, but rather satisfying work for everyone, and furthermore that paid work should not be the primary way in which the allocation of the economic product—who gets what—is determined; instead, allocation should be according to need. This radical view is hardly ever articulated by mainstream commentators.

Set all this aside, and consider one additional assumption underlying commentary on jobs: the focus is always on Australian jobs. Never does anyone talk about the value of creating more jobs in other countries, especially in poor countries. Discussions about “the economy” are about the Australian economy, or more generally about the world economy and the economies of Australia’s largest trading partners. Almost completely absent is anyone asking, “How can Australian economic policy help poor people of the world?”

The government focuses on boosting the Australian economy, or sometimes boosting the fortunes some certain groups within Australia, most commonly those better off. Investors, such as investment funds, focus on returns for themselves or their members. Trade unions focus on jobs, wages and conditions for their members.

Concern about world poverty is commonly seen as separate from concern about the Australian economy. World poverty is treated as a matter for the foreign aid budget or for voluntary organisations like World Vision or simply for someone else, such as the United Nations, or perhaps for the governments of other countries. Alternatively, world poverty is seen as something that will be addressed by improvements in the world economy, in the usual trickle-down effect: as the rich become richer, some of their wealth will provide jobs and greater income to the poor. Meanwhile, though, attention is continually directed to what is good for Australians.

Occasionally, there is some thought to workers elsewhere—they are stealing Australian jobs! When call centres are closed in Australia and the work taken to India, there are lots of gripes about loss of jobs and poorer service, with only occasional mention of the benefits for workers elsewhere. Similarly, Australian exports are seen as a good thing because they bring money into Australia, and only secondarily because they are providing a service or product to others.

Overall, discussions of the economy within Australia are incredibly country-centred: they are almost entirely about what serves Australians. The government is seen as the key player in the economic arena, designing policies that will serve Australian businesses and workers.

Sometimes attention is drawn to regional or local jobs and economic performance, such as job loss in the state of New South Wales or the city of Sydney. There might be reports about economic growth in China: because there is so much trade between Australia and China, the Chinese economy affects the much smaller Australian economy.

In Europe, discussions of "the economy" might be either about a country such as Italy or Germany, or the EU more generally. In the US, the state or local economy will

receive some attention along with the US economy generally. In neither case is there much awareness of how things are going in Peru, Cambodia or Zambia—they are off the radar.

The relative attention to jobs and economic performance can be seen as a form of competition for attention. Those with the most power and influence try to make people aware of things from their perspective. Governments seem to have the greatest influence, with mass media usually following government priorities. This process can be looked at in terms of tactics.

1. Exposure. Governments collect and publicise statistics about the national economy, and to a lesser extent local economies.
2. Valuing. More jobs and greater economic growth are always seen as a good thing, while other priorities, such as happiness, equality or the environment, are secondary.
3. Explanations. Attention is focused on paid work and economic indicators are treated as signs of what is most important.
4. Endorsement. Governments and various agencies make authoritative announcements about jobs and the economy, giving this emphasis a stamp of approval.
5. Rewards. Those who go along with the dominant framing—especially those who collect and interpret statistics and who write about the economy—can expect a receptive and sympathetic audience.

Australian news reports often tell whether the share market has gone up or down, and give the latest exchange rate with the US dollar. Sometimes reports tell about economic trends in major countries, especially China and the US. The economies of poor countries are almost never mentioned.

Another aspect of self-centredness in public discourse about the economy is the issue of "Australian-made." Decades ago, it was a matter of pride for some Australians to buy a Holden, the General Motors car manufactured in Australia. Buying a Toyota or some other car from Japan or Korea was somehow not supporting Australia. Those days are long gone: foreign cars are common, and most people buy the cars they think are the best value, which means the Australian car-manufacturing industry is collapsing.

Nevertheless, there are complaints from some sectors when the government is said not to be doing enough for Australian businesses. When tariffs were reduced on some products, such as clothes and food, imports boomed. Yet, because of residual loyalty to the idea of being Australian, some companies advertise themselves as being "Australian owned" or "proud to be 100% Australian," though some of these claims are dubious.

Then there are concerns raised when foreigners buy properties and businesses in Australia. This is sometimes presented as a foreign threat. There is a bit of racism involved: there may be concerns raised about Chinese investors buying Australian land, but none about British investment. There is a clear double standard too, because some Australian-based multinationals have bought properties or companies in other countries, with never a peep of protest from commentators, except perhaps that it might be unprofitable.

There are two competing pressures on discourse about imports and exports. One is to maintain Australian ownership and to buy Australian-made goods; the other is to buy whatever is cheaper or better, whether made in Australia or elsewhere. The thrust of capitalist markets is towards greater international competition, so the appeal of being "Australian-made" has been declining. The key thing to note is that both discourses put Australians at the centre, as beneficiaries either as workers and owners of Australian businesses or as consumers of services and products. There is little thought in either configuration of thinking about benefiting people in other countries, except as a spin-off of world economic growth.

A question arises: how does thinking about "the economy" become so centred on benefits to the home country? The primary driver is the national government, where decisions are made about government expenditure, trade agreements, investment guidelines and the like. It is in the government's own interest to build the national economy: after all, the government obtains revenue by extracting it from the economy. Regional and local governments want to develop their own economies, but they have fewer resources to do so.

The Australian economy is semi-closed. Capital can move fairly freely, but labour cannot. People in Australia can move to different parts of the country in search of better jobs, among other things, but immigration to Australia is restricted. It is a central contradiction of global capitalism, with its rhetoric about free markets, that people cannot readily move across borders in search of jobs. The result is an orientation to the economic entity in which people can move. In Europe, this is the EU, so there is a division of attention between national economies and the EU economy. The Australian government has little incentive to think more broadly in terms of its goals.

Economics in the media: an example

My comments here about the self-centredness of Australian economic discourse are based on observations over many years. To back up these generalisations, it would be necessary to carry out interviews, analyse media discourse or listen to focus group discussions. Here, more modestly, I only *illustrate* the Australian media's orientation to the Australian economy. I picked an issue of the *Sydney Morning Herald,* considered one of Australia's quality newspapers, choosing the issue of 23 February 2015, the day I wrote the first draft of the preceding text. My comments here are about articles concerning economics in the news pages.[1]

On page 2, there was an article about whether workers in pubs should continue to be paid higher wages on holidays declared by Australian states, in addition to the standard eight national public holidays. For example, the government of the state of Victoria declared a public holiday on the weekend of the grand final of the Australian Rules football competition. The Australian Hotels Association, representing pubs and clubs—where food and

1 A separate analysis could be undertaken of the business pages.

alcohol are served—wanted uniformity across the country in what are called penalty rates of pay. This was a story about national economic matters.

On page 3 was an article about a scandal in the National Australia Bank, one of Australia's four major banks. NAB financial advisers had been exposed for offering misleading advice to customers, causing the customers to lose large amounts of money. Due to additional leaked documents about the scandal, adding to previous exposés, there were calls for a royal commission into Australia's financial planning sector. This was a story about national economic matters.

A brief report on page 6 began "Access to affordable medicines could be under threat in Australia if the US gets its way in secretive negotiations over a trade deal involving 12 Pacific-region countries, academics have warned." The theme was risks to Australian patients. The report concluded with the statement "Trade Minister Andrew Robb said he would not agree to anything that was against Australia's interests." Both sides in the argument about the trade agreement thus used the rhetoric of benefiting Australians.

An article titled "Annual coal health toll $600m, doctors say" reported on estimates of damage to health in the Hunter region, around the city of Newcastle. The article highlighted a clash between economic benefits to the state versus health costs. "A 2014 report for the NSW Minerals Council estimated Hunter coal contributes in total $6.3 billion annually to the state's economy, or almost half of the total mining industry's output in the state. The region's coal industry also employed more than

18,000 people." The orientation is to the economy of the state.

On the comment pages, the editorial for the day addressed the issue of the federal government's payments for childcare assistance, saying "Taxpayers subsidise childcare by almost $7 billion a year," something that "helped the economy by allowing more mothers and fathers to balance work and parenting, which in turn has increased productivity, economic growth and living standards." However, the editorial stated, this system may not be efficient. The assumption is that childcare policy should be about benefiting the Australian economy.

Among the letters to the editor, a section was devoted to ones about housing. An article the previous day, titled "Rich pensioners may be too much at home," raised concerns about people owning million-dollars homes and receiving the aged pension: perhaps they should move out. Letter-writers contested this, for example pointing out that the median house price in Sydney was approaching a million dollars. The assumption underlying this debate about the economics of retirement was that the trade-off between what was fair to individuals, in particular elderly homeowners, and fair to the Australian taxpayer.

Among the letters, there was one offering a contrast to the usual emphasis on money: Jenny Blake commented that, "… the joy of being part of your grandchildren's lives can never be calculated in dollars and cents. It is a sad society we have become when everything is measured by money."

Challenging economic self-centredness

There are quite a few ways to challenge the orientation of economic thinking and discourse towards self-interest, with "self" often involving an identification with the country and the state. These can be generally classified into methods of confrontation, fostering alternative identifications, and putting priority on different goals.

Methods of confrontation directly challenge the standard orientation of economic thinking. The Occupy movement's slogan of "We are the 99%" is an example: it switches the orientation from economic growth to economic inequality. Then there are those who raise awareness about poverty and disadvantage. They expose crimes of the wealthy, point to exploitation of workers, oppose trade deals that benefit the rich, and question the world system of trade and debt. There are actually lots of people pushing for a different set of priorities and who provide a different agenda than the usual one built around the rhetoric of economic nationalism.

A second set of methods seeks to promote identification with a different group than the country, region or city that is the usual focus of economic discourse. The traditional socialist emphasis on the working class is a classic example: the working class transcends national boundaries and pits workers against the ruling class, thus questioning economic nationalism with a different focus. However, working-class consciousness often is linked to wages and conditions of workers, and thus feeds into the preoccupation with what is good for workers—in this country. Trade unions officials usually put the interests of unionists in their union first, above other considerations. Seldom do they make decisions with a primary concern about workers worldwide. Those who are unemployed or in non-unionised sectors of the world economy are not often of great concern.

Rather than identifying with workers, another possibility is identifying with poor people worldwide—even if you are not one of them. This is the approach of those concerned with poverty reduction, movements against exploitation, campaigners for rights of the most disadvantaged, public health advocates, and various others. Whether identifying with poor people is an effective counter to economic nationalism is probably best assessed on a case-by-case basis.

A third set of methods to challenge state-centred economic thinking questions the assumptions in conventional growth economics. An example is the idea of a steady-state economy, namely one that doesn't grow any more. The steady-state economy is a long-term necessity, at least when growth involves tangible things like energy and consumer goods, simply because eventually resources and non-renewable energy sources will be exhausted. Therefore, it makes sense to start planning for a steady-state now.[2]

Research on happiness offers another way of questioning normal thinking about economics. Greater income does, on average, lead to higher reported happiness, but only up to a point. Above a modest standard of living, greater incomes lead to little or no

2 A classic reference: Herman E. Daly (ed.), *Toward a Steady-state Economy* (San Francisco: W. H. Freeman, 1973).

increases in reported happiness levels. One striking finding is that in countries like Britain, Japan and the US, recorded average happiness levels have hardly changed nationwide over several decades, while the per capita gross national product has greatly increased. What this means is that people are earning more and they have bigger houses, nicer cars and more electronic gadgets—but they are no happier, on average, than earlier generations who were, by today's standards, deprived.[3]

The interpretation of these findings has been contested, but what all economists accept is that money has a declining marginal utility: an extra dollar means a lot more to a poor person than to a billionaire. The implication, in terms of collective welfare, is that there are greater benefits from bringing people out of poverty than in adding to the wealth of those already well off. In other

3 Gregg Easterbrook, *The Progress Paradox: How Life Gets Better While People Feel Worse* (New York: Random House, 2003); Bruno S. Frey and Alois Stutzer, *Happiness and Economics: How the Economy and Institutions Affect Wellbeing* (Princeton, NJ: Princeton University Press, 2002); Bruno S. Frey in collaboration with Alois Stutzer, Matthias Benz, Stephan Meier, Simon Luechinger and Christine Benesch, *Happiness: A Revolution in Economics* (Cambridge, MA: MIT Press, 2008); Richard Layard, *Happiness: Lessons from a New Science* (London: Penguin, 2005). There are some who dispute this finding. See, for example, Michael R. Hagerty and Ruut Veenhoven, "Wealth and happiness revisited—growing national income *does* go with greater happiness," *Social Indicators Research,* 64, 2003, 1–27, and subsequent articles by Richard Easterlin and by Veenhoven and Hagerty.

words, a more equal distribution of income and wealth should be the goal, rather than increases in gross domestic product: growth (progress) in equality, not growth in wealth. Research suggests this will increase overall happiness. Indeed, people who are materialistic, seeking ever more income and possessions, tend to be less happy than average; therefore, fostering a more caring and less acquisitive society would improve wellbeing overall.[4]

Then there are particular activities that usually increase personal happiness, including helping others, expressing gratitude and being physically active. These do not require much money, and just about anyone can undertake them. Potentially, they provide an alternative direction for economic priorities.

Much of the research on happiness—also called flourishing or wellbeing—is oriented to the individual, which has the disadvantage of meshing with individualism in materialistic striving. However, it is possible to rethink some of the happiness-promoting activities as collective endeavours, and furthermore ones that lead to social changes. For example, helping others is a potent method of improving one's own happiness, as long as this doesn't become routine or obligatory. Designing a society around enabling people to help each other directly—without government as the intermediary body, collecting taxes and providing welfare services—offers more prospects for happiness.

4 Tim Kasser, *The High Price of Materialism* (Cambridge, MA: MIT Press, 2002).

This leads into economic alternatives, of which there are many. Some alternatives involve a greater role for government, other less. For example, a guaranteed annual income is usually assumed to be provided by government, whereas local currencies reduce the role of the central government.

One of the most promising economic alternatives is building the commons, namely the resources that are freely available to everyone. Two traditional types of commons are libraries and public parks. Anyone can check out a book from a library or, these days, use the Internet. Anyone can visit a park area in a city. The history of libraries and parks is instructive: workers had to struggle to introduce and maintain these facilities.[5] After all, they are competitors to private enterprise. It is possible to imagine a world without libraries, but instead only bookshops and Internet cafés, and a world without public parks, but instead only privately run parks charging substantial fees for entrance.

With the development of computing and the Internet, a new type of commons has emerged, referred to as the digital commons. Its best-known feature is free software, such as the operating system Linux. Free software is produced by collectives or networks of programmers who provide their services without charge, and the resulting products are available to anyone. One of the slogans of the free software movement is "free as in free speech, not free beer." The key to free software, and its close relation open

5 Raymond Williams, *The Long Revolution* (Harmondsworth: Penguin, 1965), pp. 73–74.

source software, is that the code is publicly available, so anyone can use it or modify it, but not copyright it.[6]

The open source movement has inspired parallel developments in a range of areas. For example, there are now open-source colas, with the ingredients displayed on beverage containers, and open-source code to run 3D printing, an alternative to regular manufacturing.

The open source movement is expanding the role of the commons, and is thereby providing an alternative to government as a source of economic welfare. The commons is a more general alternative to the economic role of government, which is to collect taxes and provide both individual and collective services. Governments can support commons, as in the case of libraries and public parks, but in other cases governments oppose commons and instead support corporations and their efforts to undermine or outlaw commons. This is apparent in government support for expansion of intellectual property regimes that protect the monopoly-privilege positions of software companies, pharmaceutical manufacturers, large book and journal publishers, and Hollywood producers.

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6 Samir Chopra and Scott D. Dexter, *Decoding Liberation: The Promise of Free and Open Source Software* (New York: Routledge, 2008); Karl Fogel, *Producing Open Source Software: How to Run a Successful Free Software Project* (Karl Fogel, 2005); Glyn Moody, *Rebel Code: Linux and the Open Source Revolution* (New York: Basic Books, 2001); Steven Weber, *The Success of Open Source* (Cambridge, MA: Harvard University Press, 2004). The differences between free and open source software and their associated movements are important but are not central to the discussion here.

In summary, there are at least three approaches to challenging economic nationalism: confronting economic self-centredness by questioning standard assumptions and silences, for example as done by the Occupy movement; promoting identification with a different group, such as local government or the working class; and questioning assumptions underlying conventional thinking about economics, as in research on happiness and in the commons as the basis for an economic alternative. All of these are occurring and, to counter them, governments remain active in shaping discourse.