Lost Horizons?
Social Justice and the Redistributional Imperative
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Introduction
We are living in an era when those with the political power to bring about distributional change rarely mention inequality, and the topic itself apparently has no place in policy discourse. The mere suggestion that a new policy proposal will have redistributive consequences is sufficient to see it condemned as economically irresponsible, socially unnecessary and politically suicidal. Yet the disappearance of redistribution from the policy debate has been accompanied by increased vocal support for a ‘Fair Go’, and the need to protect the interests of the ‘Aussie Battler’ in the political debate over who can best run the economy. This serves to perpetuate the myth that these goals can be achieved as automatic by-products of other policies rather than as warranting specific actions. Social policy has become the servant of economic policy, and redistributional policies an unnecessary impediment to market forces.

Buoyed by well over a decade of strong economic growth, our political leaders rejoice in the increased living standards that it has generated, but fail to acknowledge that most of the benefits have gone to those at the top. While it is true that those at the bottom have experienced income gains on average, some have received only minuscule increases while many others have missed out altogether. Even more bizarrely, the main political parties compete to offer further tax cuts to those in the upper reaches of the income distribution, causing state action to further exacerbate market-generated inequalities.

We can no longer assume that because we think that inequality should be reduced, others will agree with us. Increased inequality is seen by many as necessary to generate the incentives needed to promote initiative and raise economic growth. If we are to convince those who take this view, we need to demonstrate that inequality is unjust in and of itself (not an easy task) or that it leads to other undesirable outcomes (also not easy to demonstrate). These are major challenges, but it is up to those of us who favour reduced inequality to draw on moral arguments and research evidence to support our case. In doing so, we need to examine the traditional arguments for equality, as well as the tools we use to assess its magnitude in different dimensions. We must ask some awkward questions and confront some uncomfortable answers.

In reflecting on these issues, I will focus on one narrow aspect of inequality, inequality in economic outcomes: and, within that mainly on only one dimension – inequality in the distribution of income: and within that on the distribution between rich and poor, or vertical inequality. This qualification reminds us that there are many different forms of inequality and that the topic is huge and complex. But we can get a sense of the broader debate over inequality by concentrating on what is happening to the distribution of income, in the process shedding light on some of the issues raised in the recent debate between the St Vincent de Paul Society (Wicks, 2005) and the Centre for Independent Studies (Saunders, CIS, 2005a) over what is happening to inequality, and whether it matters.

The Demise of Inequality
The current federal government is trying to justify its proposed industrial relations reform proposals without acknowledging that the existing system has been responsible for producing a relatively compressed wage structure that has taken pressure off the need to redistribute through the tax and social security systems. It seems inevitable that the industrial relations reforms will, over time, lead to a reduction in the minimum wage (this is, after all, what they are designed to achieve) and an increase in wage disparities. This process will not stop there. As economists have long recognised, cuts in the minimum wage will place downwards pressure on welfare benefits (Gregory, 1993; 2005) reinforcing the downward pressure on the incomes of those at the bottom of the distribution. This will
undo over a century of the explicit and implicit redistribution that took place under what Frank Castles has described as a ‘wage earner’s welfare state’ (Castles, 1985). Under that model, setting wages to meet the needs of working families was the cornerstone of a welfare state that was relatively effective without being unduly expensive.

Prime Minister Howard has recently argued that the only true test of any industrial relations system is its ability to support a strong economy. He is wrong. The recently revoked industrial relations system, while not without its faults, evolved historically as a pivotal mechanism for integrating economic and social policy by ensuring that labour market outcomes are consistent with social goals, taking pressure off the need for other actions. The refocusing of the system under the new industrial relations reforms onto the needs of the economy exposes the Howard Government’s social policy agenda as being subservient to the needs of the economy. This is the ultimate victory of trickle down theory – the idea that in order to make the poor richer, it is first necessary to make the rich richer – and it will lead to a gradual but irrevocable change in the nature of Australian society as the reforms take effect.

Calls for more tax cuts for the rich and the dismantling of wage safety nets are justified on the grounds that they will produce an incentive structure from which all will benefit. The cake will grow bigger and everyone will have the possibility of getting a bigger slice, without facing the tensions that inevitably arise when trying to divide up a cake of a given size. Economic growth achieves this by making a zero-sum game into a positive-sum game in which all can be winners. But this simplistic analysis, and the insidious (because deceptive) positive sum politics on which it is based, fails to recognise that the processes and policies that are introduced to generate growth often start by giving a larger slice of the cake to those who are already very well-fed, leaving ‘market forces’ to generate crumbs for those lower down the food chain: yet the widening gap rarely closes as the crumbs trickle down.

The idea that we must give more to the rich in order to create the conditions for improving the circumstances of the poor now exerts a powerful grip on the mindsets of those who set economic and social policy in many countries, not only in Australia. A similar trend can be found among Tony Blair’s New Labour in Britain, although to be fair the British Government has introduced a range of social policies to tackle disadvantage through programs that support and assist those in poverty and experiencing social exclusion.

It has, for example, introduced (not abolished!) a minimum wage and committed itself to eradicating child poverty by 2020 and reduce it by one-quarter by 2004-05. The evidence shows that much has been done to achieve this target already, as Holly Sutherland indicated at the Australian Social Policy Conference in July, where she concluded that:

‘It is possible for a rich country with a high level of child poverty to reduce it, even in relative terms, and it has been politically possible (although not easy) for a government acutely sensitive to perceived constraints on tax levels from public opinion to find significant additional resources to achieve this.’ (Sutherland, 2005: p.31).

A number of other countries are committing themselves to eradicating child poverty and are taking specific actions to do so, including New Zealand, Ireland and France. Where there is no agreed method for measuring poverty, governments in these countries have consulted with researchers and community groups to produce agreed measures and used these to set targets and monitor progress (Saunders, 2005). Strong economic performance gives us a unique opportunity to make a difference by devoting some of the extra resources it brings to reducing child poverty, easing the pressure on future generations, already expected to bear the brunt of an ageing population. Why does the Australian Government refuse to acknowledge even the existence of ‘the P-word’ and in so doing, deny Australian children the additional benefits that children in many other countries are already enjoying?

**How Much Inequality?**

How much inequality we are prepared to tolerate involves making judgements about how highly we value equality and the nature of the trade-offs between it and other policy goals. It also involves unpacking the idea of inequality to better understand its different dimensions and the relative importance of each. Those working in the field of social policy ought to have a distinct advantage in addressing these normative issues, since values are an integral part of the discipline.

As Richard Titmuss so eloquently expressed it many years ago:

> When we use the term ‘social policy’ we must not ... automatically react by investing it with a halo of altruism, concern for others, concern about equality and so on. ... In guarding against the value implications of the term ‘social policy’, I should point out that it does not imply allegiance to any political party or ideology. ... At the very least, we have a responsibility for making our values clear; and we have a special duty to do so when we are discussing such a subject as social policy which, *quite clearly, has no meaning at all if it is considered to be neutral in terms of values.* (Titmuss, 1974: 27 – emphasis added)

We have failed to heed Titmuss’s warning about the need to avoid adhering to a specific set of values when we undertake social policy analysis, in the process doing damage to the
subject itself while exposing our ideas to criticism from those whose values differ. For too long, social policy analysts have argued, or at least implicitly endorsed, the view that any reduction in inequality is desirable. Taken to its logical extreme, this implies that all inequality should be removed and that the ultimate goal is complete equality of outcomes, across all dimensions and between all groups.

Although this proposition has only been implicit, by failing to acknowledge that some forms of inequality are less desirable than others, and that some inequalities may be the price that must be paid to achieve other goals, the proponents of social justice have laid themselves open to criticism from groups like the Centre for Independent Studies (CIS) who have been quick to exploit the perception that egalitarianism is somehow inconsistent with democracy or a capitalist economic system. By not being sufficiently clear about what we mean by more equality (of what? among whom? and how much?), we have played into the hands of those who favour small government and minimal redistribution.

In addition to this lack of clarity about what we are trying to achieve, we have also failed to acknowledge that equality-enhancing policies may have unintended and undesirable side-effects. One of the most enduring lessons to emerge from the last two decades of policy research is that people adjust their behaviour in response to the incentive structures that result from policy interventions, and that these adjustments can make it harder to achieve stated goals, possibly frustrating them altogether. There are many evocative examples of this proposition in Steven Levitt and Stephen Dubner’s stimulating book *Freakonomics* (Levitt and Dubner, 2005), which demonstrates how behavioural responses can cause dramatic effects on outcomes (although the book also illustrates that it often takes a highly skilled and imaginative analyst to uncover them).

This does not mean that we must abandon attempts to reduce inequality, but it does suggest that we need to acknowledge these effects when we design programs, build their effects into our costings, and accept that the changes brought about may be only modest. Above all, we must accept that pure redistribution is a zero sum game, and that while there is no free lunch, economic growth can ease the resource pressures and make distributional goals more achievable.

**Attitudes to Inequality**

There is a long history of research on public attitudes to inequality, but much of it has been very general and only able to provide an indication of broad trends. One aspect that has emerged from these studies is that many Australians have a rather imperfect understanding of how much inequality exists and where they themselves fit in the overall distribution. Many Australians are opposed to further redistribution in the mistaken belief that we are already at the upper end of the equality league table in terms of outcomes such as the gap between rich and poor.

Few people have any idea of where their own incomes place them in that distribution. As I shown, when people are asked to indicate where they fall in the income distribution, the overwhelming majority think they are somewhere in the middle, with the tendency to be wrong being greatest for those who are actually at the top. Thus, around one-quarter of those who are actually in the bottom quintile think they are in the middle quintile, while over one-half of those in the top quintile think they are in the middle; i.e. those at the top thought that 40 per cent of the population were better-off than they were, when in fact 80 per cent of the population were worse-off than them. This research also shows that only 2 per cent of those in the top quintile knew (or were prepared to admit) that they were in the top income bracket! (Saunders, 2002).

Many Australians also still cling to the myth that we are one of the most egalitarian countries, when the reality is again quite different. The international picture has been clarified by work undertaken over the last two decades as part of the Luxembourg Income Study (LIS), which has assembled detailed data for an increasing range of countries and placed it on the same definitional basis so that comparisons can be made (Atkinson, 2004).

Data from the LIS project for years around 2000 show that the ratio of the incomes of those at the 90th and 10th percentiles (after adjusting for differences in family size, and taking account of welfare benefits and income taxes) varies from over 11 in Mexico to below 3 in a number of European countries including Sweden, Norway, Finland and the Slovak Republic. Australia, with a ratio of 4.33 ranks equal 22nd (with Ireland) out of a total of 30 countries (Förster and Vleminckx, 2004: Figure 1). However, the Australian estimates are based on data for 1994-95 yet we know from a recent Australian Bureau of Statistics (ABS) report (ABS, 2003a; Table 1) that the income ratio increased between then and the turn of the century, possibly causing our international ranking to slip even lower.

The lack of familiarity with the evidence on income distribution is to be expected given the complex nature of the subject; it hardly makes for exciting reading for the average punter. However, this lack of interest provides fertile ground for those who are all too keen to muddy the waters and exploit the misperceptions that exist. One can understand, for example, why politicians are constantly seeking to improve the circumstances of ‘middle Australia’ when the vast majority of the population think that they belong to this group, at least in terms of their income. We need to ensure that the population is better informed about how much inequality there actually is, before we can begin to have a better debate about how much there should be.
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There is also an urgent need to understand more about Australian attitudes to inequality in order to reorientate the rather superficial debate that is currently taking place. In this regard, I agree with Rob Watts, who has recently argued that:

> We need to focus in a radically changing social and economic context on what ideas like a ‘fair go’ and economic justice might look like to Australians now. ... Getting new kinds of taxation policies into place, getting governments and communities to commit to serious long-term social investment and setting targets for income redistribution that meet all Australians’ ideas of what a just society looks like is a somewhat tedious but eminently practicable imperative of our time. (Watts, 2005: p. 45; emphasis added)

I endorse the claim highlighted at the end of this statement that we need to find out more about Australian ideas of social justice, and I am currently planning a survey that will examine this issue later this year. I also agree that one needs targets, although I am less convinced that these should be based solely on community opinion, as Watts seems to imply, in part because those ideas have been distorted by almost a decade of exposure to the ideological proclivities of the Howard Government.

Poverty

Another issue that Watts fails to acknowledge is the difficulty involved in deriving an overall indicator of how the community perceives fairness – and indeed whether or not any such consensus exists on this topic. By failing to come to grips with this issue, Watts’ support for a new inequality agenda, while worthy, stands in contrast with his outright rejection of the idea of poverty, which he argues has resulted in ‘well-intentioned academics’ (I think this includes me, but it is faint praise!) playing into the hands of groups like the CIS protagonists who have argued that the poor are simply undeserving ‘bludgers, unworthy of welfare benefits paid for by ‘honest hard-working taxpayers’ (p. 45).

It is clear that Watts, like Adams (2002) before him, sees the debate over how to measure poverty as sterile and incapable of being resolved because he sees the concept itself is inherently subjective and impossible to reduce to a single, agreed measure. He is right to raise questions about whether the ‘poverty wars’ debate has distracted attention from the more important issue of inequality. It has certainly become difficult to disentangle the issues of poverty and inequality because the CIS has consistently asserted incorrectly that poverty conceived in relative terms is the same as inequality. We must correct this error and emphasise that the two are different: poverty focuses on those who do not have enough resources to meet their needs, while inequality is concerned with how resources are distributed amongst society as a whole. One can eliminate poverty but stop well short of removing all inequalities, although those who conflate the two are keen to exploit fears about the latter to cast doubt on attempts to achieve the former.

The CIS has become expert at using this kind of false reasoning to create the perception that ‘even the experts cannot agree’, making the whole issue of poverty unworthy of serious examination. This can be seen in my CIS namesake’s vitriolic attack on the recent Senate report on Poverty and Financial Hardship (Community Affairs References Committee, 2004; Saunders, CIS, 2004). There is another good example of this in his recent contribution to the poverty debate in Australia’s e-journal of social and political debate On Line Opinion (reprinted in the September 2005 issue of Quadrant), where he argues that:

> Logically there are two basic strategies for combating poverty. One, the ‘capitalist’ strategy, is to allow economic growth to improve everybody’s living standards (raising all boats). The other, the ‘socialist’ strategy, is to take resources away from more prosperous people and transfer them to those with less. The disturbing thing about a relativistic definition of poverty is that it rules out the first strategy a priori, for no matter how successful we might be in improving everybody’s living standards, the number of ‘poor’ people will remain exactly the same for as long as relative income shares remain the same. (Saunders, CIS, 2005b: p. 1)

The flaw in this argument arises in the opening statement, where it is incorrectly asserted that there is a logical basis for treating growth and redistribution as alternative strategies for combating poverty. This is nonsense. Taken literally, it implies that those who favour redistribution are automatically opposed to economic growth, yet if its benefits are used wisely, growth is the friend not the enemy of poverty alleviation. The Poverty Commissioners recognised this over 30 years ago when they argued that:

> To be realistic in planning a major effort to lift the incomes of poor people, we must look at the growth of national income and try to suggest how a larger part of the additional income can be diverted each year to income maintenance and welfare services (Commission of Inquiry into Poverty, 1975: p. 7)

The benefits of economic growth can trickle down to the poor but this will not happen automatically; it requires a conscious decision by government to make it happen. In the same vein, poverty can be eradicated but the fact that we don’t do so is a matter of choice not affordability.
By portraying redistribution and growth as alternative poverty-reduction strategies, the ‘other Peter Saunders’ is trying to drive a wedge between those who support poverty reduction as a social goal and those who have seen the benefits that economic growth can bring. Growth may raise the incomes of the poorest, but it will not reduce relative poverty if its benefits are spread evenly. This explains why the CIS are so keen to attack the idea of relative poverty, since the apparent ‘free lunch’ that growth brings in terms of poverty reduction can only be relied upon if poverty is conceived and measured in absolute, as opposed to relative, terms.

In fact, if growth generates the highest income gains for those at the top (as it surely has in recent years), then relative poverty may increase as the economy grows (certainly when judged against average incomes), even though the poor may experience some improvement in their real incomes. But this is not an argument against economic growth, but rather suggests that we may need to pursue growth policies that benefit the poor disproportionately, or redirect some of the resources generated by growth to the poor (through redistribution). Either course of action requires intervention and neither will result automatically from unregulated market forces.

The poverty wars debate that has occupied so much time and energy has been largely conducted at a highly technical level, far removed from the everyday realities facing those who struggle to make ends meet. The debate has focused on how to define and measure poverty using income survey data, and I have referred to these as studies of ‘statistical poverty’ to remind us that they are based on statistics, not on directly observing what poverty means for those who experience it (Saunders, 2005). Research has become disconnected from the realities of poverty in the process, and we need to re-establish those connections so that our research is grounded in experience, but also to give our findings greater credibility so that they can provide the basis for a more convincing case for action. Only then will we be able to move beyond the statistical squabbling and focus on the causes and consequences of poverty, and what needs to be done.

Developing Inequality Benchmarks

In their stimulating book Affluenza, Clive Hamilton and Richard Denniss have argued that our obsession with the ever-increasing levels of consumption associated with material prosperity has not brought increased happiness (Hamilton and Denniss, 2005). Instead, despite unprecedented levels of real income, large numbers of Australians have become addicted to a cult of excessive consumerism and report that they do not have enough to buy all that they need, including many of those with the highest incomes. This represents a confusion between wants and needs, and is the result of intense advertising campaigns targeted at perpetuating the search for increasingly sophisticated (and expensive) items of consumption to absorb the rising disposable incomes produced by economic growth.

In a situation where even the richest see themselves as unable to meet all of their wants, it is no surprise that public sympathy for the inability of the poor to meet their (far more modest) needs is eroded. The authors conclude:

In Australia, we do not lack the ability to solve poverty; we lack the will. And the richer we become as a society the more unwilling we are to sympathise with those at the bottom of the heap. … To solve the problem of poverty, real deprivation, we must first solve the problem of affluence, imagined deprivation,’ (Hamilton and Denniss, 2005: p. 192)

The first part of this claim is undoubtedly correct, and the latter part can be read as supporting Rob Watts in arguing that the real issue is inequality. But it does so while recognising (as Watts does not) that poverty is an important issue that warrants independent attention.

In any case, if we are to give greater attention to the issue of inequality, then we face two challenges: first, we must determine how much inequality we are prepared to accept and thus by how much we need to reduce it; secondly, we need to demonstrate that inequality has undesirable consequences for other things that we value – individually, or as a society. The response to the first of these two challenges provides a social justice rationale for reducing inequality, while the latter provides the broader social policy case against inequality.

The former is a difficult task that few have been willing to attempt, although some have been brave enough to venture ideas that can help us to think more clearly about what we are trying to achieve in relation to income distribution. The American economist Lester Thurow argued 25 years ago in his influential book The Zero Sum Society that a realistic and achievable goal for income distribution in the US was to replicate among all American families, the distribution of earnings that prevails among white male full-time workers (Thurow, 1980). This goal is clearly achievable (since it already exists) and it is realistic in the sense that achieving this degree of equality did not give rise to undesirable disincentive effects in the full-time while male labour market. It follows that replicating this distribution among the population as a whole is thus also unlikely to undermine the incentive structure more generally.

If we were to apply this logic to the Australian situation, then using income data for 2000-01, the ratio of the 90th to the 10th percentile was equal to around 2.5 for the wage incomes of all full-time employees. In contrast, the corresponding ratio for the disposable income of all families (after accounting for
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differences in family size) in the same year was just over 2.8, or 12.2 per cent higher. So as an initial target, we could aim to reduce overall income inequality by 12 per cent in order to bring the two distributions into line. This is not a massive redistribution, although the prospects for getting either of the major political parties to even contemplate such a change do not look promising in the current environment. We need to start somewhere and having a debate over the pros and cons of this kind of proposal would be a useful first step in reinvigorating the issue of equality, and of social justice more generally.

The Importance of Data and Monitoring Change

For some time, the ABS has been expressing concern over the reliability of its income statistics, particularly for those at the bottom of the distribution (ABS, 2002; 2003b). Adjustments have been made for the under-reporting of certain forms of income (mainly income from social security payments and from self-employment), but these have not resolved all of the problems. Reflecting these concerns, the ABS now defines ‘low income households’ as those who fall in the second and third deciles of the distribution, omitting those in the lowest decile because of concern over data reliability. The change in the real (CPI-adjusted) incomes of those in the ‘low income group’ is one of the headline indicators of progress identified by ABS in its new series of reports on Measuring Australia’s Progress (MAP) (ABS, 2004: p. 22). The decision to re-define the term ‘low income households’ to exclude those at the bottom in some of our official statistical collections is a very worrying trend – more worrying in some regards than the government’s unwillingness to discuss poverty – and it must be strongly resisted by all those with an interest in social justice.

The original MAP publication included ‘Economic Disadvantage and Inequality’ as one of its dimensions of progress, although this was criticised by my CIS namesake, who argued that:

In the selection of income inequality as one of the dimensions of ‘progress’, the ABS implicitly equates social ‘progress’ with reduced income inequality, an unthinking commitment to the egalitarian politics of the left. It is important to recognise that increased equality may mean that a society is going ‘backwards’ rather than ‘forwards’. (Saunders, CIS, 2002: p. 1).

In responding to this and other criticism of its original approach, the latest ABS report has replaced the ‘Economic Disadvantage and Inequality’ dimension in the list of progress dimensions by ‘Financial Stress’, and has relocated the indicators of inequality to the ‘National Income’ dimension. The MAP report also no longer provides information on the percentages with incomes below half-median and half-mean income – a change that sits all too comfortably with the government’s reluctance to engage in a debate over even the statistical dimension of income poverty.

In justifying these changes, the ABS argues that:

‘Inequality is one aspect of social progress that is not measured directly by these indicators. ... it is very difficult to discuss progress in this area without making a value judgement about the level of inequality that may threaten social cohesion versus that needed to create incentive. An indicator based on changes in income distribution, for example, is unlikely to have unambiguously good and bad directions of movement on which virtually all would agree’ (ABS, 2004: 17)

These difficulties result from the insistence by the ABS that movements in the headline indicators must unambiguously indicate that progress has occurred. However, we know that this condition does not apply to social indicators like inequality, and taken to its logical extreme, it implies that we should ignore how social conditions have changed when deciding whether or not we have made progress, resulting in a very narrow and distorted view of what is meant by progress. Although the Australian Statistician notes in his Foreword to the latest MAP report that ‘we are not claiming to have included everything that is important to progress in this country’, the suite of indicators needs to better reflect changes in social conditions, thereby providing the basis for a better assessment of how we are progressing as a nation. We need to pressure the ABS to revisit the indicators included in the high profile and important Measuring Australia’s Progress reports.

This equivocation on the part of ABS over the significance of changes in income distribution is not replicated in other similar organisations, here or overseas. The suite of indicators proposed for the EU by Atkinson, Cantillon, Marlier and Nolan (2002) include several that relate to poverty and inequality, and these have since been officially endorsed and are being implemented. Even the Australian Treasury accepts that distributional issues are important and are included as one of five key indicators in its proposed framework for assessing well-being (Parkinson, 2004). Comparisons with a similar exercise being by the Ministry of Social Development in New Zealand are also revealing (Ministry of Social Development, 2005). Under the New Zealand approach, economic standard of living is one of ten ‘outcome domains’ that contain a suite of national and, in some cases, regional indicators of well-being and quality of life. Within that domain, the indicators include income inequality (the ratio of the 80th to the 20th income percentile), the proportion of the population with incomes after housing costs below a series of low-income benchmarks, and the percentage with a restricted standard of living as defined using data derived from national surveys of living conditions. The New Zealand report – wisely in my view – does not insist on the ‘non-ambiguity criteria’ used to identify the
headline indicators for Australia, leaving it to the reader to
decide whether the reported change is desirable or not, within
and across the identified domains.

In Conclusion

Much needs to be done to restore the issues of poverty and
inequality where they belong, at the centre of the policy
debate. Neither will be automatically addressed by economic
growth, although the resources generated by growth provide
us with the opportunity to address disadvantage and promote
social justice. We should at least be having a debate over
the balance between creating more material prosperity and
distributing it more fairly.

A recent article in The Guardian newspaper exemplifies why
Australia, like Britain, needs to pay greater attention to the
issue of inequality. In it, the author – a former editor of New
Statesman - argues that:

The question that ought to dominate Labour Policy
has been staring us in the face all along. It is: ‘How
do we create a more equal society?’ By this, I don’t
mean a more meritocratic society, in which everyone,
regardless of birth, has an equal chance to get rich. I
mean a society where the gap in income and wealth
between rich and poor is very much less than it is
now … If the government could bring about this
about, many of the goals it attempts to achieve
by other means – higher educational standards, a
healthier population, a fall in violent crime, a revival of
democratic participation, a reduction in racism, even
protection against Islamic extremism – would be much
nearer realisation. (Wilby, 2005)

We ought to be asking this question of our government, as
it sets about dismantling the industrial relations system that
has been a cornerstone of Australian egalitarianism. We must
challenge the Prime Minster’s glib assertion that the merits of
the industrial relations system should be judged solely by its
contribution to the economy.

We must also make it clear that the economy should serve the
needs of its people, not the other way around. We must pressure
the ALP to return to its traditional roots and acknowledge
that combating inequality requires a policy response that
does not just hold out the hope that all can progress up the
ladder of opportunity, but actually closes the gaps so that the
climb is made easier and those at the bottom are raised up.
We are currently a long way from achieving these goals, but
the underlying issues must get onto the policy agenda before
social justice is sacrificed on the altar of economic growth and
the ‘Fair Go’ becomes a quaint historical peculiarity.

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