

## **Media Release**

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### **People's movement needed to achieve a progressive alternative economic agenda -**

#### **a secure prosperous and sustainable future for all Australians**

**A new grassroots movement is underway which should demonstrate to next month's ALP National Conference that there is strong community support for a progressive change to Australia's cosy consensus-at-the-top that 'markets are best'.**

Instead of a public debate about the real drivers of and dangers to our economic and social security and prosperity, the focus continues on 'more of the same' extreme fetish for a Budget surplus, smaller government, lower taxes and ever more privatisation and deregulation.

A People's Economic Alternative is emerging to call on Australians to engage with each other to devise a new economic direction which can overcome the ever-widening inequality and ever-greater insecurity that mark the lives of more and more people, and meet the challenge of ecological sustainability at a time of accelerating and unmitigated climate change.

A People's Economic Alternative is an initiative of trade unions, welfare, community and political organisations. These organisations have memberships totalling over 300,000 and this is the basis for a new grassroots initiative to change the debate over the next two to three years.

The global economic system, especially in Europe, continues to be marked by high unemployment, recession or very low growth, and harsh policies directed at the majority of working people rather than on the rich who refuse to sacrifice. Fundamental reforms to the way finance functions haven't materialised, neither have changes in the dominant economic agenda of further de-regulation, privatisation, shrinking of the state and dilution of social contracts. Unlike the period following the Great Depression, it seems few countries have learned any lessons from the GFC. Eight years on, more financial shocks are to be expected, not fewer.

In response to the continued dominance of the neo-liberal agenda, the labour and broader social justice movements want to put forward a credible, well-defined, economic agenda as a progressive alternative.

A progressive agenda needs to take the latest thinking in economics and marry it to progressive Australian values and traditions. The labour movement, as the voice of workers, and the broader social justice community, has the capacity and social connections to lead such a great project.

A People's Economic Alternative is trying to reverse a three decade's long conventional wisdom about what constitutes good and credible economic policy.

We intend to build a nationwide campaign for a progressive political economic strategy. That involves a broader debate about how the economy and politics work to mainly benefit the rich and powerful, and what are the basic values that a progressive economy should serve – security, fairness and ecological sustainability. The economy should serve society, rather than the reverse.

To begin this process of challenge and change, the People's Economic Alternative has proposed a set of **values and principles** that can underpin a new progressive economic agenda and a **process** for

#### **Underpinning values**

Equity; Fairness; Equality of opportunity; Recognition of the rights of future generations; Basic equality of outcomes, e.g. a living wage and dignified social support; Recognition of roles of both markets **and** government; Respect for science and education, e.g. economics is much more than a slogan like 'markets rule'; People's wellbeing is the ultimate objective, not profits.

## 10 Principles

**Principle 1:** Economic growth is not an end in itself, but is a means to better the lives of the Australian people, including future generations.

- The environment, mental and physical health, strong communities, security, art, freedom, and fairness matter as much if not more for wellbeing as growth in income and wealth.

**Principle 2:** Economic growth must lead to broad-based and inclusive economic development. No discrimination - all citizens have the right to participate fully in the society

- Growth must benefit all – women, the aged, youth, Aboriginal and Torres Strait islander peoples, immigrant communities. Strengthen human rights laws and agencies.

**Principle 3:** Government benefits must be targeted to those in need, adequate to achieve their goals and not used as punishment.

- People have a right to sufficient welfare support or a living wage.

**Principle 4:** Good budget management is essential, but this means ensuring solvency, not a blind insistence on budget surpluses.

- A budget surplus is not the measure of good policy, which should aim to fulfil the government's role in a solvent way. If you don't need our money, give it back to us.

**Principle 5:** Fair regulation means that we all get a go. Good regulation recognises Principle 1: it is people's welfare, not just economic growth, which matters.

- Reject the idea that regulation is a 'bad'. Non-income drivers of wellbeing need strong regulation to support them.

**Principle 6:** Workers have a fundamental human right to organise, collectively bargain and take democratically-determined industrial action.

- Workers are people, not just units of production – an economy should work for people, not the other way around.

**Principle 7:** Provision of government services by an independent and impartial public service is an important responsibility of our elected government.

- We want a government that understands and does its job as best as possible, not one that doesn't think it has a job.

**Principle 8:** Companies and high income earners must pay their fair share.

- Our tax system is skewed for high income earners – it needs to be re-balanced and made fairer.

**Principle 9:** We need a broad-based economy, and not one simply based on agriculture, resource extraction and the services sector.

- The government has a strategic industrial role to play, to ensure a diversified economy.

**Principle 10:** Trade is crucial, but it must be fair and in the national interest.

- Trade shouldn't be used to place corporate interests above people's interests.

Australian Manufacturing Workers Union National; Construction, Forestry, Mining & Energy Union; Finance Sector Union National; AFTINET; Migrante Australia; Australian Political Economy Movement; SEARCH Foundation; Evatt Foundation; Maritime Union of Australia Sydney Branch; Fire Brigade Employees Union NSW Branch; National Tertiary Education Union NSW Branch; ALP Socialist Left NSW; Greens NSW; F-Collective; No Westconnex Community Action Groups; Immigrant Women's Speakout; Asian Women at Work.