The Inexorable Expansion of the Welfare Class

In one of his more imaginative moments, the German poet Heinrich Heine wrote, "Poverty sits by the cradle of all our great men and rocks them up to manhood." Despite its hyperbole this idea had great appeal to many social commentators and writers in the nineteenth century. The individual who lifted himself out of poverty and overcame his disadvantages through determination and strength of character became an archetype of Western culture, the stuff of fairy tales, novels and political essays.

Victorian novelists often used this theme, as did social reformers, political historians and theorists. The Protestant work ethic was a revered ideal and the self-made man was no fiction. Britain, Europe and the United States had numerous examples of the "rags to riches" story. Many great industrialists, entrepreneurs, traders and bankers who had started from very little seized the opportunities afforded by the industrial revolution and mercantile expansion to climb the economic ladder. It is not surprising, however, that socialists rejected the notion that people could, through their own efforts, rise above their station in life. An individual's economic success that did not involve exploitation of others does not accord with Marxist ideology.

The attributes shared by those who achieved economic pre-eminence were ambition, initiative and an irrepressible desire to succeed. Today these qualities are likely to be sneered at by many people whose values have been forged by a Left-liberal fantasy in which utopian idealism offers simplistic answers to complex economic problems, and naive solutions to social ills. An education system increasingly under leftist control can take credit for this, and although most young people grow out of their socialist childhood, some remain mired in it forever.

Those who do not move beyond leftist thought form the backbone of socialist movements that dogmatically retain an idealised image of the proletariat, despite the reality that in developed Western democracies, the old working class has virtually disappeared.

Australia is one such democracy. Progressively, the proletariat, on which the Australian Labor Party had depended for support, became part of the middle class as wages rose—a trend reflected in falling trade union membership. ABS statistics reveal that from August 1992 to August 2011, the proportion of those who were trade union members in their main job fell from 43 per cent to 18 per cent for males, and 35 per cent to 18 per cent for females.

It was inevitable that the ALP could no longer rely on working-class electoral support, because that class had achieved what socialists most fear—self-improvement without state intervention. Worse still, it had happened in a capitalist, market-oriented economy. So much for Marx's conclusion that the social superstructure is determined by the economic substructure. What was to be done?

The socialist solution was to fill the gap left by an upwardly mobile working class by cultivating another social category—a stratum of society whose economic well-being would be determined, not by Victorian-style initiative and effort, but by government largesse; in short a welfare class whose contribution to society would be nil but who could be relied upon to vote for the political party that offered the most hand-outs.

In the beginning that party was the ALP, whose ideology dictated that improved economic and social standards do not depend on people's ambition and character but on government manipulation of the economy, spearheaded by welfare payments. For socialists, all human problems have a materialist solution, despite the vast evidence indicating an inverse relationship between welfare and economic well-being.

The ALP realised that it could rely on the electoral support of people who were living comfortably on taxpayer-funded welfare, only so long as they neither found work nor had ambitions to raise their benefit and move to the top of the Adler-Studler welfare pyramid about billion in 2012 welfare payments.

Class aptly left-gisted in the right-fare good about the future.

I received disa pay on the shot present.

The best match to the row han map elex eit lev to ren into
to raise themselves from the social gutter. It did not take long for welfare junkies to become addicted to the opiate of hand-outs, pensions and other benefits. They fell willingly into the welfare trap, and Australia is now well into its second generation of addicts.

In his recent report for the Centre of Independent Studies, Tax Welfare Churn and the Australian Welfare State, Andrew Baker points out that Australian welfare payouts (health, education and income support payments and so on) more than doubled from about $35 billion in 2001-02 to approximately $316 billion (or 65 per cent of government expenditure) in 2010-11. With the planned introduction of new welfare schemes and the expansion of old ones, taxpayer-funded payments will rise further.

Concomitant with the creation of the welfare class was the emergence of what Brendan Bracken aptly named “Bollinger Bobshies”. These people are left-wing intellectuals who masquerade as idealistic do-gooders and are over-represented in our universities, in the public service, the legal system, and in many lobby groups and NGOs. They are the new bourgeoisie; paternalistic, all-knowing and self-righteous. For them, the fact that government welfare is the masses’ drug of dependency is all to the good; after all, dependency is what socialism is all about.

This is not to argue that no one in society should receive welfare. People whose physical or mental disability makes them incapable of work should receive welfare. When it comes to dishing-out taxpayers’ money, government policies should be based on the principle that those who choose not to work should not receive welfare of any kind.

The immorality of the ALP in buying electoral support by way of welfare is reminiscent of the practice of vote-buying that prevailed in Britain before the Ballot Act of 1872, which effectively made voter bribery impossible. It matters nothing to the cynical Left that expansion of the welfare class to the point where money must eventually be borrowed to pay for pensions, social benefits and other hand-outs, must one day bankrupt the country.

The country’s long-term economic future is made bleaker because any political party that opposes massive welfare payments will surely suffer electorally. In this situation the Opposition must either promise to at least maintain current welfare levels (if not increase them to match ALP promises) to have any chance of winning government—or remain out of office while the country sinks further into debt.

Australia cannot continue on its present course. The mining bonanza that has kept the country and the Gillard government afloat will end and, when it does, there will be no comparable revenue source to replace it. Taxation income that could have been invested wisely will have been squandered on welfare.

Should a Labor government be in office when the economy and the tax take begin to fall, its likely response will be to raise income tax on high earners in order to maintain welfare payments. The effect of this will be to discourage private investment and add to the downward economic spiral; whereas the sensible measures would be to reduce both tax on high income earners and the level of welfare payments. Left-wing ideologues have never understood the principles of wealth creation.

In what could develop into a nightmare scenario, an ALP government, in order to continue to buy electoral support, might print more money, ignoring the fact that surplus money that has no solid economic backing has no value, and inflation will soon result. Or it could borrow from other countries until foreign debt far exceeds Australia’s ability to repay it, as Greece did. In either case the Australian economy will collapse.

One solution to solving the country’s social and economic problems created by the welfare trap is simple but probably unachievable. It would require a bipartisan policy that aimed to eliminate welfare except for the most deserving citizens.

However, it is unimaginable that the ALP would support a policy that could lead to the dismantling of social engineering in favour of the individual’s right to determine his own destiny. The party’s innate conservatism and reluctance to modify an entrenched socialist ideology that deprives people of economic independence will always take precedence over the country’s best interests.

An even more improbable solution would be for a majority of young people to return to the values by which their grandparents lived—work, ambition, initiative and self-sufficiency. However, for this to happen would require incorporating ethics into an education system that is dominated by Left-liberal apparatchiks who are intent on re-directing teaching to conform to a socialist interpretation of the world.

According to Joe Hockey, the government’s excessive spending and resulting budget deficits “are in Labor’s DNA”. Combine this with tax increases and the introduction of new taxes, and we have the perfect formula for a banana republic.

Brian Wimborne wrote “Historical Reality and Australian Identity” in the January-February issue.