

UNEMPLOYMENT

A CHRONIC PROBLEM
OF CAPITALISM

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Unemployment —

**A chronic problem
of capitalism**

**Some urgent and
immediate steps**

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A statement of the
Socialist Party of Australia

December, 1979

Printed by New Age Publishers Pty Ltd
392 Sussex Street, Sydney.

ISBN 0 908077 09 2 ✓

7 NOV 1980

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Preface

Unemployment, a social scourge, occurs in capitalist societies from causes inherent in the capitalist system itself.

One such cause, basic to the capitalist system, is the insoluble contradiction in that system, between the highly social character of the production process on the one hand, and the private appropriation of the results of that process on the other hand.

The profoundness of this contradiction lies at the basis of recurring economic crises and the creation, not of just unemployment but of chronic unemployment. Production is a social matter; it should proceed to serve the social needs of the people. But with the ownership of the means of production in private hands production is used to serve private profit making and to increase private capital. The social purpose of production is subordinated to private appropriation of profit made from workers' labor.

The root cause of both the exploitation of labor for privately appropriated profit and the casting of men and women into chronic unemployment lies in the private ownership of the means of production.

From this fact there arises the need for social ownership of the means of production i.e. for socialism.

The scientific and technological revolution (STR), a qualitatively different and new development, exacerbates the problems of capitalist crisis and mass unemployment but the STR is not, in any basic sense, the cause of unemployment. Once the basic fact is grasped by workers under capitalism that the private ownership of the means of production must be displaced, and replaced by social ownership, the only real solution to unemployment can emerge as a real issue on the agenda of the labor movement.

The STR and its manifold effects need to be considered as an acute part of the basic problem of the main contradiction of capitalism viz. social production and private appropriation.

The STR has already created, and will increasingly create, new and extensive forces of production thus establishing a new and very much higher level of such forces which are in ever sharper conflict with the capitalist relations of production.

This conflict is a basic feature of capitalist economic systems and the dis-harmony between the two factors i.e. the level of development of the forces of production and the nature of the production relations must be overcome if recurring economic crises and chronic unemployment are to be overcome.

The necessary state of harmony between those two factors does not require, and in fact cannot be achieved by, any lowering of the level of development of the forces of production. Such a process would necessitate halting or limiting scientific discovery and development and/or preventing or limiting the application of such discovery and development to the area of technology.

BASIC CHANGE IMPERATIVE

That would be a form of "Luddite" process and would, were it possible of achievement, deny society the benefits of scientific discovery and inventive genius. No such possibility need be contemplated nor should it be permitted.

The obvious need is to change the nature of the production relations and that means changing from private to social ownership of the means of production, ending the exploitation of labor for private profit making purposes and thus ensuring that the extensive benefits of the scientific and technological revolution accrue to society as a whole. The absence of a contradictory relationship between the level of development of the productive forces and the relations of production and the harmony achieved between those two factors in socialist economies, and particularly the economic system of a socialist nation at the stage of "developed socialism," is a basic distinguishing feature between a socialist and a capitalist economy.

The state of harmony between those two basic factors of an economy is essential for comprehensive and integrated planning of an economy. Such planning is possible in a socialist economy and not possible in a capitalist economy.

It is those specific circumstances which, in total enable a socialist economy to take full advantage of the STR without the scourges of recurring economic crises, inflation and unemployment which afflict capitalist economies and so detrimentally effect the lives of the people living in capitalist societies.

It is features of capitalism, inherent within the system itself, which, as a result of the very development of that system, create the circumstances in which large and increasing numbers of people become unemployed and not only as a "reserve army of unemployed" but as a section of the population in total social discard.

That state of affairs creates the hopelessness and the seriously adverse social consequences about which so much has been written. It is that state of affairs which develops the concepts of "second class citizenship" and of "alternative life-styles."

The first must be forcefully rejected as totally unacceptable and the second is in no manner a solution to the problems arising in this period and of which chronic unemployment is one. Such concepts arose during the 1929-33 depression in the form of unemployment camps and so-called "Happy Valley" settlements. They were no more than temporary arrangements then and they can be no more than that now.

Having in mind the basic cause of growing and chronic unemployment it is obvious that its solution is not to be found in what are called "band aid" actions such as the variety of proposals initiated by the Fraser Government.

Actions very much more extensive than those of the Fraser Government were taken in the USA in the period of the 1929-33 depression as part of the Roosevelt Administration's "New Deal." Although those actions had some immediate and limited beneficial results they did not provide a final solution to the problem of recurring crises and the accompanying large scale unemployment in the most highly developed capitalist economy in the world.

The circumstances in which growing unemployment marks the capitalist economies today are in many respects, vastly different to those which marked the period of the so-called "Great Depression" and those vastly different circumstances call for far reaching action.

Steps to alleviate the problems of the unemployed do warrant support and form an important part of tackling the problem.

But the problem of unemployment, like the many other problems detrimentally effecting the lives of the Australian people require action aimed at achieving basic changes including changing Australia from a capitalist country to a socialist country.

Unemployment — A Chronic Problem Of Capitalism

Unemployment of the available work forces, which has now reached unprecedentedly high levels in the post 2nd World War period, shows marked evidence of continuing to rise. It is a feature of all capitalist economies and is evoking increasing concern in all areas of economic policy making.

This problem and its persistence has been a subject for specific attention at a variety of gatherings including the periodic summit meetings of Heads of State of the leading and most highly developed capitalist countries.

Recently published figures show the following picture of unemployment in leading capitalist countries. (The figures are percentages of the work force in each country.)

UNEMPLOYMENT FIGURES

	1957-73		1975	1976	1977	1978		1979
	Annual figs. max.	av.				Dec.	June	
USA	6,8	5,0	8,2	7,7	6,3	5,8	5,9	5,8
Canada	7,1	5,5	7,0	7,5	8,5	8,5	8,1	7,9
Japan	1,5	1,1	2,0	1,7	2,1	2,4	2,3	2,1*/
FRG	3,7	1,4	4,9	4,4	4,5	4,4	4,1	3,9
France	2,7	1,6	4,2	4,3	5,2	5,2	5,8	6,0*/
Great Britain	3,8	2,2	5,0	5,6	6,0	5,7	5,5	5,5
Italy	8,2	4,0	3,5	6,8	7,1	7,1	7,4	7,4*/
Belgium	6,3	3,7	8,7	9,8	11,0	9,9	11,1	11,0*/
Netherland	2,7	1,5	5,5	5,2	5,1	5,1	5,3	5,1*/
Sweden	2,5	1,5	1,6	1,5	1,8	2,1	2,1	2,0

*/ March

Other published figures show that at the end of the 1978 the numbers of employed in the nine countries of the European Common Market ranged from 100,800 representing 8.9% of the work force in Ireland to 1,512,200 representing 7.1% of the work force in Italy.

The total at that time exceeded 6 million and nearly half were young people under 25 years of age. These figures do not include those covering unemployment in the USA, recently estimated by trade union sources at 10 million. Figures from a variety of sources show that total unemployment in the capitalist world at the end of 1978 exceeded 18 million. These figures do not refer to the many millions who are employed only part time.

It is obvious that the size of the problem, and its tendency to continue and to grow, warrants the concern shown about the problem by leaders of capitalist society. But none of the multiplicity of gatherings given over to considering this issue and seeking solutions to it have come up with anything resembling a solution. This failure is not due to want of trying and we can scarcely accept that the development of this disturbing state of affairs in the capitalist world is due to the evil intentions of some individuals who see in large scale unemployment a means of controlling wage earners and their union organisations.

In a recently published book titled "Unemployment" Keith Windchuttle declared "Our capitalist economy is unplanned and unplannable. Unemployment is inevitable under capitalism."

That contention is supported by the facts of life and we should constantly emphasise that fact.

The situation in Australia in relation to unemployment is a reflection of the general situation and is a part of the total picture of unemployment in the capitalist countries.

AUSTRALIAN UNEMPLOYED — WORST SINCE 1929-33

Two figures concerning unemployment are published in Australia and each can be used to show a differing state of affairs. At one time both those figures were subjected to a mathematical process known as "seasonal adjustment." This latter process has recently fallen into some degree of dis-use.

The most recent available figures from the two official sources (October 1979) shows the following position: Bureau of Statistics; Persons looking for full time work 312,700; Persons looking for part-time work 76,400; Total number of persons looking for work 389,100. Percentage of labor force looking for work 6.0%

Commonwealth Employment Service: Total number of persons registered as unemployed 383,878. Males 248,732; Females 135,146. Under 21 years of age Males 65,817, Females 70,052. Percentage of labor

force registered as unemployed 5.89. Number of persons receiving Unemployment Payments 284,241. Percentage of persons registered as unemployed receiving unemployment payments, 74.5%.

The published figures from both sources vary from month to month. The Bureau of Statistics whose figures cover persons looking for full time and part time work and are used for official purposes by the Government shows the variation during the last twelve months to have ranged from 367,500 persons in October 1978 to a high of 453,900 in February 1979.

The figures from that same source show a monthly average for the most recent twelve months of 406,717 persons looking for full time or part time work.

Those figures reveal a level of unemployed in Australia higher than at any time since the period of the 1929-33 Depression.

That single fact emphasises unemployment as a major problem confronting the nation and affecting the economy. But there is much more to the problem than the figures indicate and much more than the mere fact that unemployment is today at its highest levels since 1929-33.

Comparisons between the two periods, today and 1929-33, are difficult to make, at least as far as figures are concerned. Statistical data available today is more extensive and more refined than was the case in the earlier period. However, some comparisons can be attempted.

At 389,100 the total number of people looking for work today is still smaller than the level reached at the height of the 1929-33 depression. The Commonwealth Year Book records 563,300 persons unemployed in Australia in 1933 representing 25.8% of the total number of "occupied persons" for the same period. That is a higher total number of unemployed and a very much higher percentage of what is called today, "the work force." There were many fewer people in the work force, then than now. The figure for "occupied persons" in 1933 is given as 2,261,700, and the percentage unemployed were related to that figure.

A figure used today is titled "Labour force." This includes employees, employers and self-employed persons, 15 years of age and over. Such categories, include those who worked for some form of remuneration for as little as one hour in the week during which the figure is determined by means of a direct survey, plus those in the above categories who worked for 15 hours or more without pay in a family business or on a farm.

Published figures divide the "Labour Force" into employed and unemployed and the published figure for employed members of the "Labour Force" for September 1979 (the latest available) was 6,118,100.

The figures for unemployed and for the "Labour Force" are further divided into a number of categories including married women. Married women would have been a comparatively insignificant factor in the occupied persons figure in 1929-33 and they were not recorded in the unemployment figure. That is not the position today.

One significant feature of the inclusion of married women in both the "Labour Force" and the unemployment figures of today is the officially recognised acceptance of married women as part of the labour force and the extent to which such recognition entitles them to be a factor in employment policies.

"HIDDEN" UNEMPLOYED — A NEW FACTOR

The differences in the bases on which the various relevant figures are compiled, and as briefly mentioned here, helps to show that validly based comparisons between today and the period of the 1929-33 depression are difficult to make.

A further factor to be taken into consideration before a final picture of the extent of unemployment today can be obtained, and a factor which was missing in the 1929-33 period, is what is called "hidden unemployment."

Keith Windschuttle in his book "Unemployment" quotes details concerning several categories of people who were eligible to be included in the work force but who, for various reasons, would not be included in the Australian Bureau of Statistics (ABS) figure for the "Labour Force." He describes these people as "discouraged workers" and the figures he quoted totalled 411,900. At that time (May 1977) the ABS figure for unemployed was 353,800. When dealing with the position of women in relation to unemployment he refers to a Morgan Gallup Poll and to surveys taken by the NSW and the Commonwealth Governments revealing the extent of women who were not registered as unemployed but would have sought work were it available. Windschuttle claims that:

"This data indicates that between one quarter and one third of women regarded as housewives, and thus outside the work force, should be counted as among the hidden unemployed." Relating the data from those two sources to the work force figure for May 1978 he claims that "...there were 829,304 women who could be regarded as being among the hidden unemployed." Summarising in relation

to hidden unemployed and under-employed he observes: "This is a wastage of human potential on a truly grand scale. Capitalism is the first social formation in history to deny such large numbers a productive role and the opportunity to make a meaningful contribution to the community."

The acceptance of this factor of hidden unemployment in considering the extent of total unemployment and in considering unemployment as a social and economic issue is validated on several grounds including the right of women, including married women, to work, (a social issue) and the fact that the absence of employment for women and other sectors constituting what are described as "discouraged workers" can reduce living standards by reducing family income levels.

Support for the acceptance of the concept of hidden unemployment and "discouraged workers" is provided from other sources. The *Sydney Morning Herald* of April 16, 1979 carried a commentary by its Economics Editor under the heading "Disguised unemployment behind the statistics." He commented on the fact that in 1978 the net increase in the labour force was only 25,000 people instead of the expected 127,000 and attributed that to "...a marked decline in the proportion of the total population (aged 15 and over) who were participating in the labour force." The article noted that "the categories of greatest decline were men and single women aged 55 to 64 and married women aged 20 to 24" and then commented on a "marked growth in the number of discouraged workers, creating a situation of "disguised unemployment."

Inclusion of the concept of "hidden unemployed" and "discouraged workers" in considering the issue of total unemployment adds to the contrasting position in relation to "work rights" in socialist and capitalist economies.

Such an approach emphasises the need for the issue of unemployment to be considered as a broad social issue and a major factor in economic development.

Despite the extent of unemployment, including hidden unemployment, they are as yet, not highly organised into organisations of unemployed workers as was the case in the 1930s. Some reasons for this are to be found in the fact that unemployment benefits are paid by cheque and delivered by post. They are not gathered together around unemployment offices. Furthermore, a high proportion are young workers who have either never had a job or have been employed for only a short time and therefore have little or no experience of the trade union movement.

However their plight makes imperative and urgent the need for unions to treat this issue as an integral part of their activities, and not as a matter of passing interest or an issue mainly for those affected by loss of employment.

The issue of unemployment is a more extensive problem even now and more complex than it was in 1929-33.

A PERMANENT FEATURE

What has been put so far shows that comparisons between unemployment today and the 1929-33 period are difficult to make and in some respects not valid. The extreme difference in the unemployment issue in the two periods is further emphasised by some other facts.

In the capitalist countries, including the most developed, recorded unemployment has continued at high levels and in its fluctuations, moved only slightly below those high levels during the boom period of the economic cycle. With indications of the commencement of the crisis period of another cyclic development unemployment will rise from an already existing high level.

Estimates already exist of the likelihood of many young people going through life without ever having regular employment or receiving a regular or adequate income. Sociologists and other investigators have long since pointed to poverty as a form of "inheritance" in the U.S.A. and of large and increasing numbers of people in that leading capitalist country being born into poverty, living their lives in poverty, marrying in poverty, breeding in poverty and dying in poverty.

Factors making for those prospects are already appearing in Australia. Here and in other capitalist countries the talk is not so much about the maintenance of "full employment" but about achieving the highest level of "sustainable employment."

Some indication of the magnitude of unemployment in Australia is given in a discussion paper prepared by an ACTU Task Force in 1978.

The paper states: "The medium-term prospects for the Australian economy are bleak. We face an environment where at least 700,000 new jobs need to be found over the next seven years even if we are concerned simply to contain unemployment at existing high levels.

"Achievement of a 2% unemployment rate by 1984/5 requires an output growth rate of between 6% and 7% each year for the next seven years — a growth rate twice our historical average and almost three times as great as our most recent experience.

"At no stage of our economic development during this century has Australia managed to achieve a growth rate of this magnitude over such an extended period."

There is no available evidence to suggest the remotest chance of achieving the growth rates considered necessary by the ACTU paper.

The direction of economic development in this country is in the extractive industries and in certain areas of primary production. Neither of those areas are labor intensive. In the *Sydney Morning Herald* of April 21, 1979 under the heading of "Few jobs going in development boom," the *Herald* Financial Editor related capital investment levels and increased employment flowing from that investment, in the aluminium, chemical, motor, uranium and natural gas industries. His calculations show that announced additional investment of more than \$2 billion in these industries will provide permanent work for less than 3,000 workers in those industries.

This is a totally different situation to that which existed at the end of the 1929-33 depression. The capital investment of a comparable size would have provided a larger number of jobs. Employment areas were less capital intensive than now.

Thus the problem of unemployment cannot be separated from the problem of maintaining a continuing and extensive upward development of the economy. Some idea of the level of the capital investment necessary for such development can be gained from the above figures but a variety of official and authoritative economic forecasts are not encouraging.

But there is evidence available to show that the prospects of alleviating unemployment and given a favourable change in the economic level of activity are small if existing at all.

In today's circumstances manufacturers attempt to take advantage of large scale production by opening up overseas markets for Australian production. But to be competitive their cost must be reduced and this propels forward the demand for increased labour productivity.

THE SCIENTIFIC AND TECHNOLOGICAL REVOLUTION

The main source of increased labor productivity is improved means of production and that requires the application of scientific discovery to technology. This process has assumed the proportions of a new scientific and technical revolution. In this, as in other revolutionary changes in the processes of production, a main feature is a substantial increase in the volume of capital investment in machines and a relative and/or absolute reduction in capital investment in labor power.

Karl Marx referred to this process "as the growth of the organic composition of capital" and he showed the inevitability of the growth of "constant capital" (fuel buildings, raw material machines, equipment) over "variable capital" (wages paid).

The process is not new but, in the period of the scientific and technological revolution, the change is greatly accelerated and its consequences in terms of elimination of job greatly increased.

A NEW FACTOR

The "STR," as it has come to be termed, is a vastly different process to any production change previously experienced.

Its effects on the volume of labour required in all areas of employment emphasise the impossibility of resolving the issue of unemployment within the confines of the capitalist system and the current standards of a capitalist society and shows also the imperative need for a revolutionary change in the social order and in a number of our accepted concepts, values and practices.

The *Sydney Morning Herald* article — already referred to, quotes figures relating to the amount of capital invested in certain basic industries per additional permanent job created. The amounts range from \$500,000 per job in the aluminium industry to \$4 million in the petrochemical industry.

(Incidentally, the extensive development of the aluminium industry in Australia, including the much heralded recent investment, is not due to any altruistic motives or to the special persuasiveness of our political canvassers. It is due to extensive and easily recovered sources of bauxite and to the existence of unrestricted and comparatively cheap coal-generated electricity. Aluminium production is a heavy consumer of electricity.)

Clearly, such huge capital investments necessitates a substantial increase in production per employed unit of labor and brings a reduction in the number of units of labor employed.

Without achieving an increase in labour productivity capital investment in improved means of production would be without purpose and that applies to socialist economies as well as the private profit based economies of the capitalist countries.

That fact of economics develops an estimate of profitability related to the assets-to-worker ratio and with that ratio constantly increasing the drive is for a greater profit per unit of labor employed. In a

capitalist economy, based as it is on the drive for maximum private profit, this process is accompanied by an ever decreasing level of labor employment without any compensating actions to provide alternative avenues of employment or to provide adequate forms of income maintenance for redundant labor. In a socialist economy, being entirely differently based, the necessary compensatory actions are a related part of the processes associated with the development of technology.

The increased production capacity made possible by the STR and the consequent effect on the volume of labor needed, both for the production of goods and the provision of services, are incomparably greater than in any previous period. This makes the STR qualitatively different to the advanced mechanised processes which grew out of the 1930-32 depression.

EXTENSIVE EFFECTS

Development of the STR has been delayed in Australia and its effect is only just beginning to bite. This has brought a spate of material from union sources warning against the labor reductions which are already and will continue to be a feature accompanying technological development.

The Australian Bank Employees Union (ABEU) NSW Division in the February 1979 issue of its publication "Dollars and Sense" provides some interesting data on the labor reducing effects of the introduction of computers and other electronic equipment into banks. But of equal interest — and importance for purposes of understanding the problem now developing — are some comments by authorities quoted by the publication and some observations by the publication itself.

Mr W. Anderson, Chairman, National Cash Register Corporation is quoted as follows: "Anyone who thinks the next ten years will be a projection of the '60s or even the first half of the '70s, is living in a dream world."

Mr D. McCullough, head of P.A. Consultant Services Pty. Ltd. is reported as describing as "dangerous nonsense" efforts at trying to reduce unemployment by traditional means. He says: "It is vital that we change our attitude to employment" and "... accept the fact that an increasing rate of unemployment is inevitable unless we re-think the whole employment situation and our attitudes to work."

He is reported as describing the present approach to the unemployment problem as "the 1930s depression mentality" and "... even if the economy is lifted in the manufacturing sector and other sectors, it will not necessarily mean more jobs, because management is moving more and more towards automation as a necessary protection against higher labour costs and stronger competitors from overseas."

The Australian Bank Employees Union is concerned mainly with the continuing and extending widespread application of computers in the area of banking. But the effects of this process can be seen in almost every area of production, transport, commerce and the services.

Because of the vast effects of the STR the correcting steps which were effective in the earlier period are of no use in the current period and in fact, are not available.

CHANGE NOT RESISTANCE

Some idea of what is required, and a recognition of what is required, is provided by commentary in the ABEU journal "Dollars and Sense." It says: "In ten years, work will be a luxury for many people."

Referring to the need for more knowledge on the part of all authorities the journal comments: "Only the computer will cope with these needs and the spectacular growth of computerisation, in numbers, in capability, in application, is creating mankind's Third Revolution: the Electronic Revolution, which will be so devastating in its impact on Western lifestyles that a whole new society will need to evolve." (Emphasis added).

Describing the technology now being experienced as "fundamentally different" to the developments on which the Industrial Revolution was based the journal's Editorial says: "We are entering unfamiliar terrain and we are not assisted by those who look to the past for solutions to the problems now upon us."

The editorial points up the nature of the effects of the STR and the steps needed to cope with those effects. It says: "Continuing and advancing technology is essential if we are to remain or become, both nationally and internationally competitive, in the production of our goods and the provision of our services.

"Such advancement will however be wasted if Australia's most important resource, its people, are thrown on the scrapheap of unemployment through uncontrolled technological change being introduced at a pace with which the community cannot cope."

"Today's advanced mechanisation and automation are themselves blamed for the degradation of work in the '70's. This is not the case.

"It is the social and economic framework in which mechanisation and automation are introduced that is producing fewer and more mindless jobs." (Emphasis added).

Those comments, accompanying as they do the thought provoking views of some employer spokesmen, reveal a recognition by a union organisation whose members are extensively affected by technological development, of the need for such developments and of their positive aspects with a recognition of the imperative need for means of controlling the application of technological developments and for basic change in the order of society.

In a less forthright form the same view is expressed in an Interim Report of the ACTU Executive on unemployment. Under the heading "Planning for Change" the document says: "The rapid changes in the international economy and the introduction of new technology will continue to have a profound influence on the structure of the Australian economy. The forces of change are so great that ad hoc resistance will not prevent the changes from occurring. At best, attempts at resistance can provide a short breathing space to enable the changes to be accommodated to the best interests of the Australian community."

The ACTU report thus recognises the inevitability of technological development and the extensive change flowing from this, it recognises the objective value of such developments, coupled with concern for the reduced job opportunities resulting and makes a call for such developments to be controlled and planned and the imperative need for substantial change in the private profit making processes of capitalism, for basic change in the order of society.

That is the direction in which the Socialist Party of Australia considers we should, to again quote ACTU President R. Hawke, "face the challenge of our changing times" and "undertake the greatest and adventure of all — to think new thoughts."

DEEP-SEATED EFFECTS

However, the scientific and technical revolution (STR) has deeper affects than merely replacing labor in individual enterprises and industries.

Some idea of the extent of the changes wrought by the STR were indicated in the journal *International Affairs* (No. 11 of 1978) in an article headed "Capitalism: Yet Another Tangle of Growing Contradictions," which contained the following points:

"In a sense, the scientific and technological revolution is all-embracing and influences every aspect of life in modern society, including the international capitalist division of labour and the capitalist world economic relations determined by it.

"Among the major directions which the STR's impact on the capitalist international division of labour has taken, the following should be mentioned: the formation of a material and technical production base adequate to the STR; the sectoral restructuring of production; the massive renewal and expansion of the product range; the intensification of production specialisation and cooperation; and the emergence of science as a sector in its own right within the system of social division of labour.

"The STR is radically changing the material and technical base of capitalism by transforming all of its components.

"It should be taken into account that a basically uniform process of social production cannot progress without differentiating itself into numerous specialised branches and sectors of production. The differentiation of production is now radically reshaping its primary production unit. The consistently spreading tendency for more of the individual stages in a technological process to be separated out and handed over to "one-cycle" enterprises is a real revolution in industrial production, one which is taking place.

"The expansion of the unit division of labour beyond the increasingly restrictive framework of the closed-cycle enterprise, a process that is accelerated by the scientific and technological revolution, constitutes a qualitative advance in the increasing social (and one variety of it — international) division of labour with all its economic and social consequences; the creation of a new technical base for production, a rapid rise in the socialisation and productivity of labour, the intensive development of national and international integration within the capitalist economy."

These points are sufficient to show that the affects of the STR are really very far-reaching and make for changes far in excess of merely reducing job opportunities by processes of mechanisation and even automation.

Thus the issue of unemployment, in all its aspects, is inextricably bound up with the issues of technological revolution and its solution cannot be separated from consideration of the issues raised by the STR.

ABUNDANCE-LEISURE-ENJOYMENT

It is the practice of some sections when commenting on the STR to present it as a catastrophic development threatening all sorts of dire consequences and presenting its adverse affects on employment as its main or only feature.

From that position there arises the inevitable tendency to place emphasis on delaying, limiting and even preventing the application of scientific discovery to technology and a relegation of the need to ensure that the continuation of that process is accompanied by the necessary changes enabling the benefits of the new technology to be enjoyed by the mass of the people.

A different view to that and one which fully acknowledges the extensive effects of the STR was presented by Professor J.M. Blatt of the School of Mathematics, University of New South Wales, in the "Australian Computer Bulletin" (February 1979). He canvassed the widespread effects of the STR on employment levels and made "no bones" about the fact that computers displaced more labor than they employed. He discounted the possibility of curing unemployment by "stimulating demand" or by "stimulating investment" or by "exporting" and gave valid grounds for such discounting and he posed the following thought provoking views:

"Modern unemployment is basic, structural and inevitable. It is an unavoidable consequence of the overwhelming increase in the productive power of modern technology." "We have become so enormously productive, as a society, that considerably fewer than all of us suffice to produce everything needed by all of us, in spite of frantic efforts to redefine what is meant by need."

Having made those assertions and based them on available evidence in support Professor Blatt then poses some further views in relation to the question "A way out." He says: "Looked at from a broader, human point of view, is it in fact such a disaster if we cannot "create employment" for everyone? What we really have here is the fulfillment of one of the most ancient dreams of mankind: Abundance for all, with plenty of time for leisure and enjoyment, without hard work on the part of anyone.

"We have all been brought up to believe that man cannot live without working. Abundance for all, without working, seems to us less a pleasant dream than a nightmare.

"Is it really true that man cannot live without spending a major fraction of each day at an assembly line or in an office? It is quite true that man needs a purpose in life, he needs something important to do. But that something need not be paid work for economic production. Man needs to have a living, of course, but he can do quite well, thank you very much, without working for it in the sweat of his brow."

Professor Blatt goes on to observe on the fact that quite a large number of people now earn a living by very leisurely means and how,

by various means of contrivance people are kept employed, and amongst other areas he mentions "overblown and inefficient corporation bureaucracies" as one of those contrived means. He proceeds:

"In the long run though, why should men be "employed" when enough can be produced for all by a small fraction of the population of working age? What is wrong with allowing people to live their lives and use their allotted time on earth in accordance with their own desires, not beholden to some boss for the best hours of every day?

"Naturally, such a fundamental change of attitude cannot come overnight. It requires a complete reversal of beliefs that many of us still profess fervently and do our best to instil into our children by education.

"But there is nothing inherently impossible about such a change coming about eventually, under pressure of circumstance and inevitable necessity.

"I can foresee a glimpse of a future in which people are paid a living allowance as a matter of basic human right, not by virtue of doing economic work.

"Abundance for all, without working, is within sight of our generation. We now have, or will have very soon, the technical capacity to produce, quite literally paradise on earth. We lack only the understanding and the will."

ONLY BY BASIC CHANGES

These observations develop the following concepts:

- ★ A shorter working life i.e. a shorter working week; increased leave in all its forms; earlier retirement.
- ★ The "right to leisure" — i.e. in addition to the right to work, and the obligation to work under duress — accompanied by a guaranteed income for all.
- ★ The need for changes in society's standards and practices.
- ★ The need for extensive changes in society itself and even the concept of a Communist society.

Professor Blatt does not go to the form of society needed to cope with the objective circumstances created by the scientific and technological revolution and he leaves the means of achieving the substantial changes he sees as necessary to be developed in society by the necessary "under-standing and will."

However, he does point-up the fact that today's unemployment is of such a nature that its solution is not to be found by any single or simple step and requires steps very much more far-reaching than those taken in previous periods of unemployment including the 1929-33 depression.

But while the Professor does not go to the point of such specificity, the concepts which arise from his observations support the contentions contained in the publications of the Socialist Party of Australia including the SPA Socialist Programme which states:-

"The scientific and technological revolution is accelerated by the competition between capitalism and socialism, by the class struggle within capitalist countries and by the competition between rival capitalist countries and groups for markets.

"At the same time the revolution has accelerated the process of monopolisation of industry as smaller capitalists, who cannot afford the introduction of new techniques, are eliminated or swallowed up by those who can.

"Under capitalism, scientific and technical advances have been used by the monopolies only where they can increase their profits, using automatic machines and technical improvements to replace labour and increase the rate of exploitation of the workers.

"The scientific and technological revolution is proceeding apace in Australia. The inclusion of science as a production component and the development of automatic control systems (cybernetics) rapidly increase the productivity of workers, and create the material basis for far higher living standards. The main benefit from this increased productivity, however, at present flows into the pockets of the owners of the means of production.

"In the capitalist countries automation and new technical processes have meant greater insecurity and unemployment for workers. This is an indictment of the capitalist system.

"This contrasts sharply with the position in socialist countries where the benefits of increased production are shared socially, steadily improving economic, social and cultural life and accelerating the development towards a communist society.

"As workers see the higher wages and shorter hours made possible by the increased productivity are substantially denied them under capitalism, but are fully realised under socialism, the forces calling for a socialist society will become more powerful.

"The vast possibilities created by the scientific and technological revolution

can be properly used only in a planned socialist society, publicly owning resources and industry and making necessary social changes in the interest of all the working people, bringing the people more and more into the management of social and industrial affairs.

"Many more people now contrast what is, with what could be, and draw the conclusion that it is time for fundamental change."

In a muted manner some of what arises from Professor Blatt's observations is reflected in the ACTU Executive Interim Report on Unemployment dated 6 December 1978, e.g. reduced working hours — including reduced overtime working; increased leave; reduced working life — including maintenance of adequate income.

The decision of the ACTU 1979 Congress on "Hours, Leave and Leisure," again in a somewhat muted tone refers to such needs. That decision declared: "Congress believes that meeting on the threshold of the 1980's, we must recognise the urgent need for affiliates (i.e. Unions and Labor Councils) to campaign around the issues of reduced working life and increased leisure." and "... it is vital that unions press for increases in leisure, in a form which increases employment and without loss of pay." The forms in which the Congress decided that leisure can be taken included:

- ★ A shorter working week.
- ★ Increased annual leave.
- ★ Earlier voluntary retirement.
- ★ Increased long-service leave.
- ★ Earlier retirement.
- ★ Increased long-service leave.

The resolution made a specific call on affiliates in all industries "to immediately develop and actively pursue programmes for achieving shorter working hours."

In relation to voluntary retirement the decision said: "Congress recognises the need for voluntary and flexible retirement, the payment for which shall be in line with the ACTU Social Welfare policy."

The Social Welfare decision included a reference to superannuation which declared: "Congress believes that all workers should have access to an adequate standard of living on retirement" and to "Income Support" which said: "Congress affirms that the provision, as a right, of an adequate income is fundamental to any comprehensive social welfare policy. The existing social security system demonstrably fails to meet this goal. Congress considers that changes must be made to the existing system of income maintenance to secure an adequate standard of living for those who are dependent on it"

The need for a multiplicity of steps to cope with and ultimately overcome the "problem of unemployment" arises from the causes of that problem, its basic nature and its extent.

On the basis of the facts presented here and those available from other sources it is obvious that capitalism has developed in a manner and has reached such a state of development that capitalist societies, and especially the most developed of them, will never again be able to employ all the labor forces available to them.

Consequently the proposals advanced by the SPA do not stop, as do those of so many others, at reforms, however substantial and radical they may be, but go on to the essential need to change the order of society. At the same time we advance the concept of extensive changes even within the bounds of capitalism.

We have done just that in the proposals contained in a recently prepared program of economic demands and in a pamphlet "Steps to Meet the Crisis."

Pressing Problems Demand Urgent And Strong Actions

It is clear that the issue of unemployment is a pressing problem, that it does not stand on its own but is associated directly with other pressing problems afflicting capitalist economies and that it is an integral part of the general economic crisis of those economies.

That fact provides a basis for such contentions in the decision on Social Welfare of the 1979 Congress of the ACTU as:

"The level of unemployment has reached the highest recorded since the depression of the 1930's. With a growing work force, slow growth in output and demand, changes and advances in technology and structural changes taking place in the economy, it is becoming clear that Australia is not experiencing a mere cyclical departure from full employment." and "... The economic reality is that unemployment will not be overcome in the near future."

Those circumstances emphasise that solution of the problem of unemployment cannot be contemplated independently of: further and continuing economic development and such development involves expanding available markets both domestic and foreign; reducing the length of the working week, the working year (both without loss of pay), and the working life. This last important factor involves the issue of income maintenance for an increasing number of retired people and in another context this imperative also involves providing the means for useful retirement.

Recognising that the application of new technology in many areas of activity will be accompanied by decreasing demands for labor, emphasis must be given to the development of job creating works.

For that purpose there is need for extensive Government activities in the development of public works and especially those associated with the improvement of the quality of life. These include power supplies, road works, public transport, urban development projects, cultural facilities, environment protection, domestic housing, education facilities.

Associated needs are training and re-training facilities arising from new demands on labor capacities in the light of technological developments.

The Presidential Address to the 1979 Congress of the ACTU contained these points on the issue of unemployment:

"The most tragic manifestation of Australia's debilitated economic condition is, of course, the high and growing levels of unemployment." But we should never allow these statistics (on unemployment) important as they are for this purpose, to blind us to the fact that unemployment is not merely some unpleasant economic phenomenon — it is a human tragedy with profoundly disturbing implications for those human beings, and those dependent upon them, who go to make up those cold statistics of this insidious feature of our post-war society."

The Socialist Party of Australia shares an unqualified association with those views and advances the following proposals:

ASSISTANCE FOR THE UNEMPLOYED

1. Increase the amount of unemployment benefit for all recipients to an amount equal to one third of average weekly earnings, with payments of family heads in families with only one member in the work force equalling the officially accepted poverty line amount. Increase payments for dependents of unemployed persons receiving unemployment payments.
2. Unemployment benefit payments including those for dependents to be indexed quarterly fully in accordance with rises in the C.P.I.
3. Increase the amount of permissible "other income" to at least the level permitted to pensioners, and the benefit payment to be reduced by 50 cents in the dollar for all other income in excess of the permissible amount.
4. Eligibility for unemployment benefit to be extended to all young people who have genuinely and legally left school irrespective of age.
5. Unemployed persons to have access to fringe benefits available to pensioners including supplementary assistance, medical care, transport concessions and concessions on rates and telephonic rental.
6. The seven day and other forms of waiting period to be abolished in relation to applicants for unemployment benefits.
7. Unemployed individuals and families to have access to emergency grants.
8. Income of employed spouse or other member of a family not to be included in any means test applicable to applicants for unemployment benefits including women registered for and available for employment.

9. The rights of the unemployed not to be denied by the application of punitive and unfair work tests and to be given proper consideration with respect to:

- ★ work appropriate to the applicant's skill or qualification,
- ★ the ability to change or leave employment without sanctions,
- ★ dress and demeanour,
- ★ refusing employment which would require moving a family unit from one location to another to their detriment,
- ★ jobs which are noxious or dangerous,
- ★ jobs which are withdrawn in an industrial dispute (stand downs).

(These proposals are in accord with, but slightly in advance of, proposals contained in the decisions of the 1979 Congress of the ACTU)

THE COST MUST BE MET

Implementation of those proposals which are by no means exaggerated having in mind the nature of present day unemployment will, together with other and associated proposals, e.g. a reduced working life and consequent earlier retirement, substantially increase social welfare expenditures of Government.

But objections to such implementation on the grounds of cost cannot be tolerated. The total social costs of unemployment, without such forms of relief, is very much greater than the cost of the essential relief we propose.

Meeting that cost will require further redistribution of wealth and income. The main source for such a redistribution must be big business, wealthy people and high income earners. It also requires the redirection of some Government expenditures away from some existing areas and towards social welfare expenditures. One area for such a redirection of existing expenditures is so-called "defence." Expenditure under this heading has been increasing in recent years and in the current Budget is allocated \$2,887 million. Threats to this country are not anticipated during the next ten years and even more, and that state of affairs does not warrant an expenditure on defence of almost \$3 billion. Additional funds for necessary social welfare purposes can come from reduced Government assistance and so-called "incentives" for big business.

The Socialist Party of Australia advances the proposition that any social system which creates unemployment must meet the costs of what it creates and undergo the necessary changes to ensure that is made possible. Alternatively it must give way to a social system capable of dealing with factors which otherwise create unemployment.

NO ALTERNATIVE TO BASIC CHANGE

Contemplation of the factors responsible for unemployment and the actions essential for the solution of the problems of employment and unemployment as they present themselves today, forces consideration of the imperative need for substantial changes in social values, social practices and in the very processes on which capitalist economies are based.

As we see the position either those changes are made or we suffer increasing levels of unemployment and all the sociological problems associated with such a state of affairs.

Some of this need was adverted to by ACTU President Hawke in his Presidential Address to the 1979 Congress of that organisation, when in concluding his address, he said: "We must be prepared to face the challenge not only of a hostile Government but, even more fundamentally, the challenge of our changing times. We will have to put into question and debate the whole issues of work patterns, education, training, and to some extent the very work ethic itself. We will have to undertake the greatest adventure of all — to think new thoughts."

The Socialist Party of Australia has already engaged in that "greatest adventure of all" and has advanced some proposals based on the need to meet "the challenge of our changing times."

The SPA has done this not only in relation to the issue of unemployment but also in relation to the whole area of economic activity in Australia. The proposals we have advanced are of short, medium and long term nature. They are based on the need for substantial changes in the order of our society and in support of that view we point to the totally different position in the Socialist countries where there is a right to work guaranteed by such countries' Constitution and where not only is there no unemployment but there is a shortage of labor.

While associating ourselves with and actively supporting the ACTU demands in relation to hours of work and leisure, the S.P.A. regards all of those demands as having greater urgency than that given to them by the ACTU Congress.

That view is based upon the conclusion that the issue of unemployment is not merely some passing phenomenon of capitalism and that the features of capitalist economic development which have given rise to large scale unemployment will remain and develop thus giving increasing urgency to substantial actions necessary to cope with the problem.

UNEMPLOYMENT NOT A SOLE PROBLEM

The S.P.A. adopts the same fundamental approach to other problems confronting the people of Australia as a result of current economic difficulties and to the economy itself.

In our publication "Steps To Meet The Crisis" we say: "The economic crisis currently afflicting the capitalist world will not simply disappear. It may undergo some transformations but these will only replace one period of crisis with another and at best provide temporary relief in some areas of economic activity.

"The economic history of capitalism shows economic development taking the form of repetitive cycles marked by phases of boom, crisis, depression, recovery.

"As with the crisis known as "the great depression" of 1929-33 so with the current state of crisis, the outbreak was unexpected and occurred despite the taking of a number of steps deliberately intended to prevent a repetition of the earlier history of capitalist economic cyclical development.

"All this emphasises the inescapable fact that economic development in capitalist society is, by nature, beyond control and consequently is an unplanned repetitive process of recurring crisis.

"The S.P.A. stands on the ground that no change can be made from the present situation which would favour the interests of the people, and more particularly the working people, unless substantial changes are made in the private profit making processes which are responsible for the current crisis and the periods of recurring crises.

"The solution to the repeated recurrence of economic crises requires a change from the system of capitalism to socialism and only such a change can bring the necessary solution. That does not mean that nothing can be done short of such a change in the social order, but even effective alleviation of the worst features of such crises, without a change in the social system, requires far reaching changes in the so-called "free enterprise" system of capitalism and the private profit making processes on which it is based."

On that basis, and pointing to the fact that what we say in relation to capitalism in general applies to Australia, we advance some proposals to cope with the situation confronting this country. Those proposals cover:

Planning and direction of the economy and provisions for participation of workers and representative organisations in that process; Government

involvement in that planning; nationalisation of key areas of the economy; firm control over profits and prices; financial controls; capital raisings; taxation; international trade; foreign policy; abolition of monopoly and multi-national corporations together with restrictions on the size of necessarily retained privately owned enterprises so as to provide for a mixed economy while preventing the re-birth of big business in the private sector.

As with the problem of unemployment, which is an effect and not a cause of economic crisis, so with the crisis itself, the Socialist Party of Australia stands on the grounds that unless the necessary steps are taken to effect the causes of the crisis, however far-reaching they may be and irrespective of the changes necessary, the crisis will continue, at a higher or lower level, and so will the effects of the crisis.

There are no other choices. Either suffer it or take the necessary steps to cope with its causes and effects and ultimately to permanently resolve it.

In support of our basic contention we point to the contrasting position of the socialist countries which, while having difficulties, do not know unemployment, currency and price inflation, budget deficits, international monetary crisis, trade conflicts etc.

We are not under any illusion in relation to the proposals we make either for immediate application or for medium or longer term consideration and we make that clear in our publications.

We spell out the fact that for all such purposes the necessary steps will be taken only as a result of substantial struggle and say:

"Our policy is for unity of all available forces for these struggles arising out of which the imperative need for changes we propose will become obvious and can be made and on the basis of which changes there can be developed the necessary further changes for a fully socialist society."

The solution to the problem of unemployment requires the same type of struggle and even the limited proposals of the Australian Council of Trade Unions will be no more than an interesting record of proceedings of its Congress unless the unions and the workers act to enforce their adoption.

In pursuit of that need the S.P.A. has called for the development of a united viable "left" in the trade unions as a necessary step towards the development of the necessary broad activity required to win the demands of the ACTU Congress in relation to wages, working hours, leisure, technological change, unemployment, social welfare now and to build a socialist society in the future.

Printed by New Age Publishers Pty Ltd
392 Sussex Street, Sydney.

ISBN 0 908077 09 2