

Transformational cultural change in Australia: What will make it happen?

Human ecology forum, 13 June 2014

Bob Douglas

Issues for Discussion

- The Cuban Story
- What do we understand about system transformations?
- Inequality in Australia and the world.
- Australian culture in 2014.
- Prerequisites to cultural transformation.

My Journey

- Medicine, Developing country Public Health
- ANU Multi- disciplinary, CIAR
- Australia21, SEE-Change
- The Transform Australia Group.
- Inequality Project, Roundtable
- Report launched this week

The Cuban story

- Spanish colony from 1500's
- Spanish/American war late 1800's
- "Independence" dominated by US supported capitalism and corruption. Batista 1952
- Castro 1953 "History will absolve me", jailed after foiled attempt to overthrow Batista.
- 1959 Castro prevailed with help of Che Guevera
- 1961 Bay of Pigs. 1963 Missile crisis .
- 1963 to 1989 USSR support and the country prospered
- Since 1991 economic crisis and crippling US sanctions in place.
- Modest efforts underway to introduce market forces to a centrally planned economy while maintaining equity

Extract from Castro's "History will absolve me" defence at his 1953 trial

"The future of the country and the solutions of its problems cannot continue to depend on the selfish interests of a dozen financiers, nor on the cold calculations of profits that 10 or 12 magnates brought up in the air-conditioned offices.... The problems of the Republic can be solved only if we dedicate ourselves to fight for it with the same energy, honesty and patriotism our liberators had when they created it."









Transformation occurred at breakneck speed

- Literacy Program
- Education revolution
- Nationalisation of banks and land
- Centrally planned and managed food system
- Massive Housing for all
- Soviet assistance with infrastructure.
- Communist one party state with inputs from community delegates
- Immense role of the leader.

System Transformations

- Complex adaptive systems with feedback loops
- Transformation when stimuli reach critical point.
- The anthropocentric era is upon us.
- What will be needed to change to ecocentrism?

The Whitlam Transformation 1972-5

- He came to power with a vision for the kind of Australia he thought we needed to become.
- Huge shifts took place rapidly in the empowerment of communities and in government priorities.
- Supported by the electorate at first, but incompetently managed and supply blocked as consequence of Senator Field in the Senate leading to The Great Dismissal.



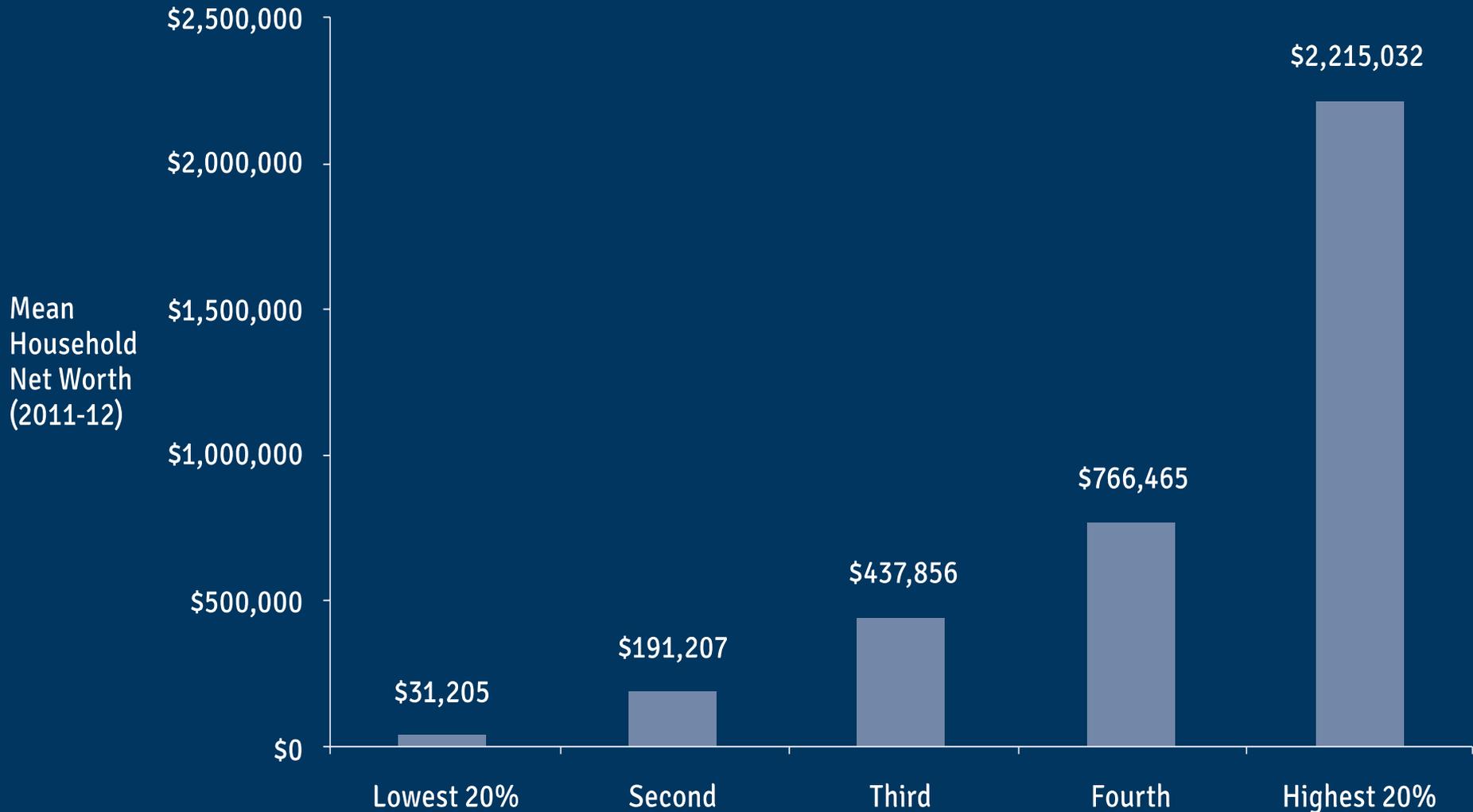
The **Australian Institute**
Research that matters.

Advance Australia Fair? What to do about growing inequality in Australia

Report following a roundtable held at Parliament House Canberra in January 2014

Bob Douglas, Sharon Friel, Richard Denniss and David Morawetz

Australian Wealth Inequality



Source: ABS, Household Income and Income Distribution, Australia, 2011-12

While the earnings of a minority are growing exponentially, so too is the gap separating the majority from the prosperity enjoyed by the happy few This imbalance is the result of ideologies that defend the absolute autonomy of the marketplace and financial speculation.

POPE FRANCIS, *Evangelii Gaudium* 2013

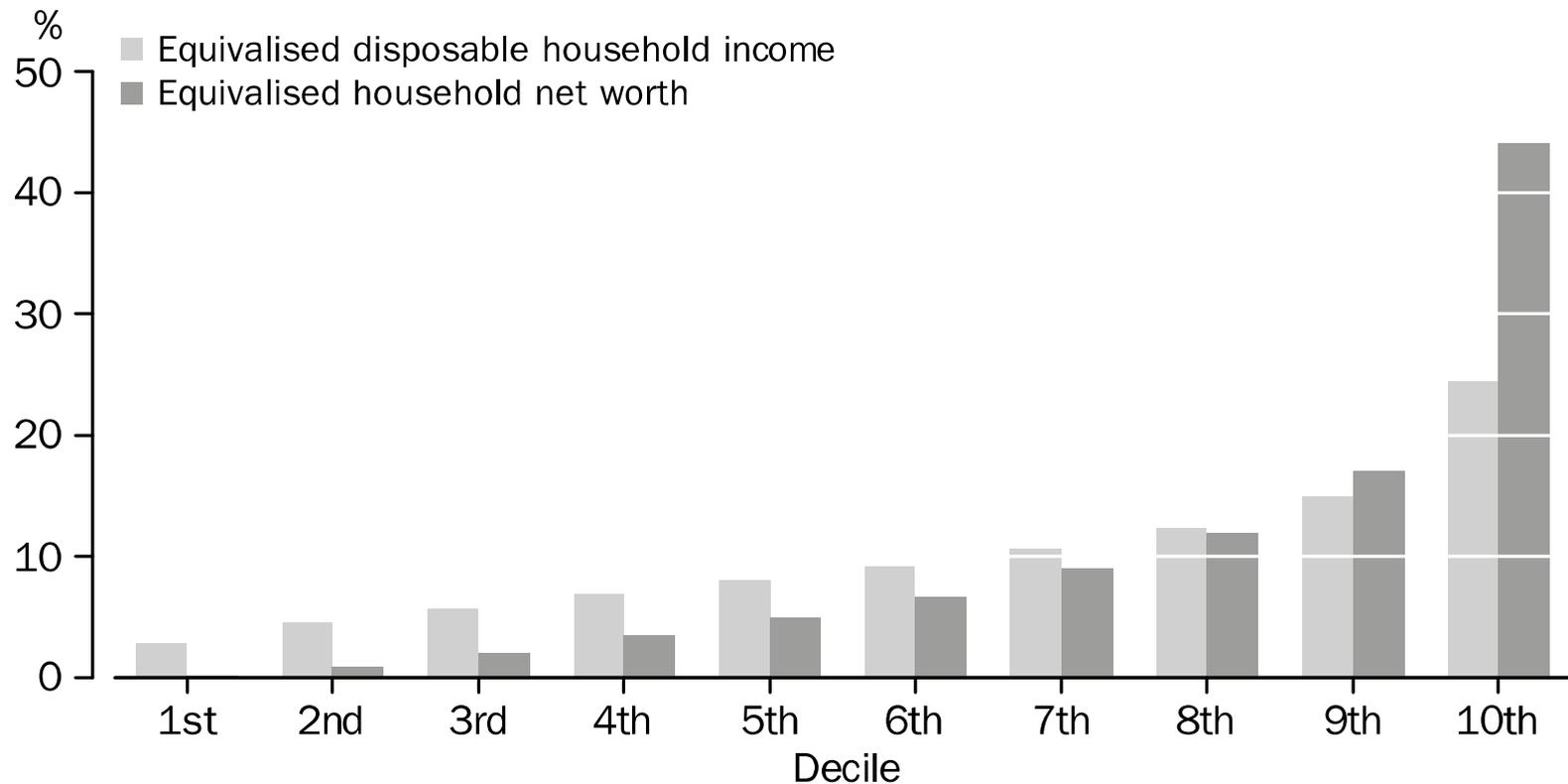
The richest 85 people on the globe – who between them could squeeze onto a single double-decker bus – control as much wealth as the poorest half of the global population put together (3.5 billion people).

OXFAM REPORT to the Davos Conference of the World Economic Forum 2014

Inequality is a choice I see us entering a world divided not just between the haves and have-nots, but also between those countries that do nothing about it, and those that do. Some countries will be successful in creating shared prosperity – the only kind of prosperity that I believe is truly sustainable. Others will let inequality run amok. In these divided societies, the rich will hunker in gated communities, almost completely separated from the poor, whose lives will be almost unfathomable to them, and vice versa. I've visited societies that seem to have chosen this path. They are not places in which most of us would want to live, whether in their cloistered enclaves or their desperate shanty towns. (Stiglitz 2013)

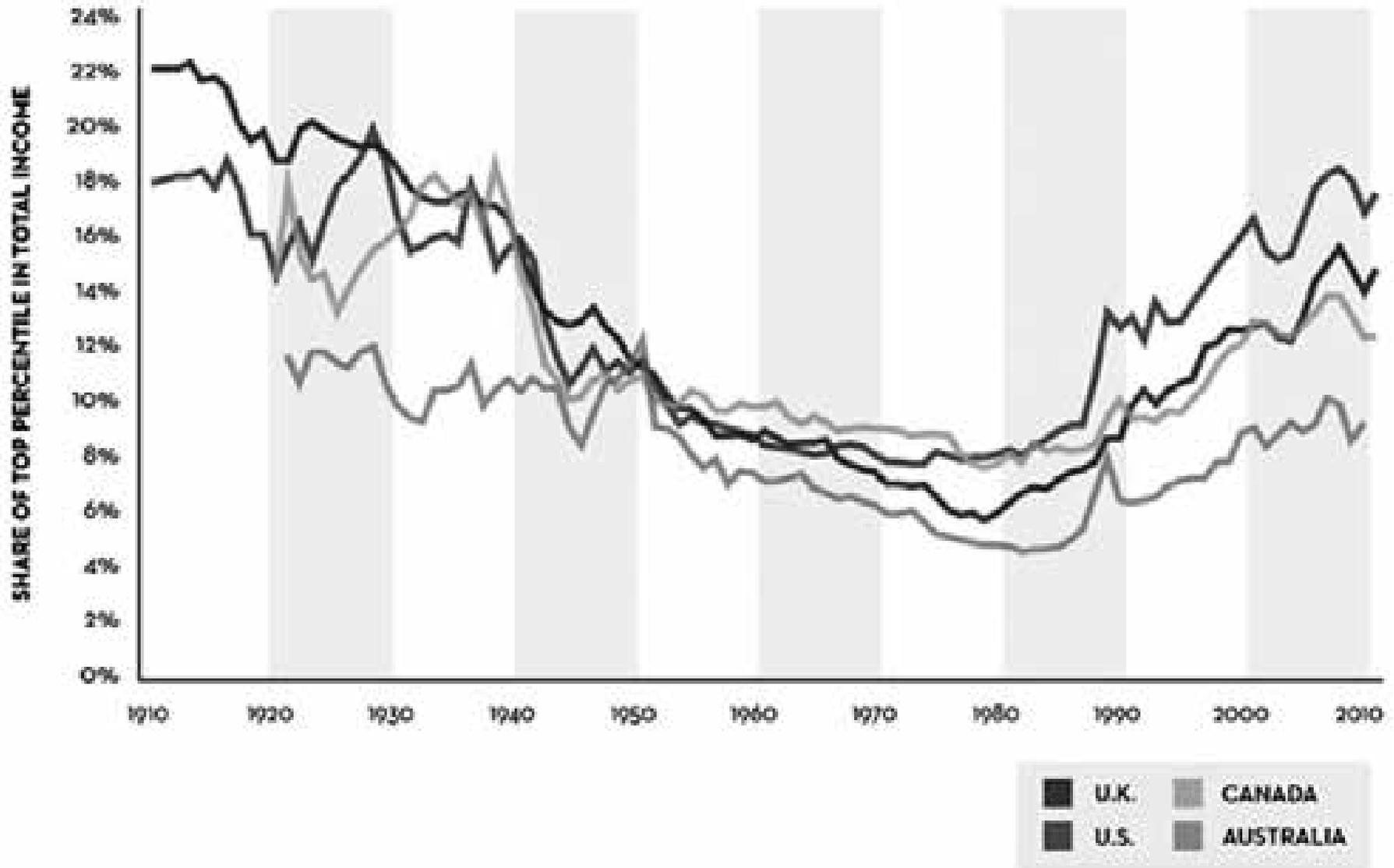
To see the full extent of inequality today, imagine a ladder on which each rung represents a million dollars of wealth. Now imagine the Australian population spread out along this ladder, with distance from the ground reflecting household wealth. On this ladder, most of us are just a few centimetres off the ground. Half of all households are closer to the ground than they are to the first rung. The typical Australian household has a wealth of about half a million dollars, placing it halfway to the first rung. A household in the top 10 per cent is one and a half rungs up, at about knee height. A household in the top 1 per cent is five rungs up, about neck level. The mining billionaire Gina Rinehart is nearly ten kilometres off the ground. (Leigh 2013, pp. 4-5)

Percentage share of Australian household disposable income and net worth 2011-12 for each decile of the population, lower to upper



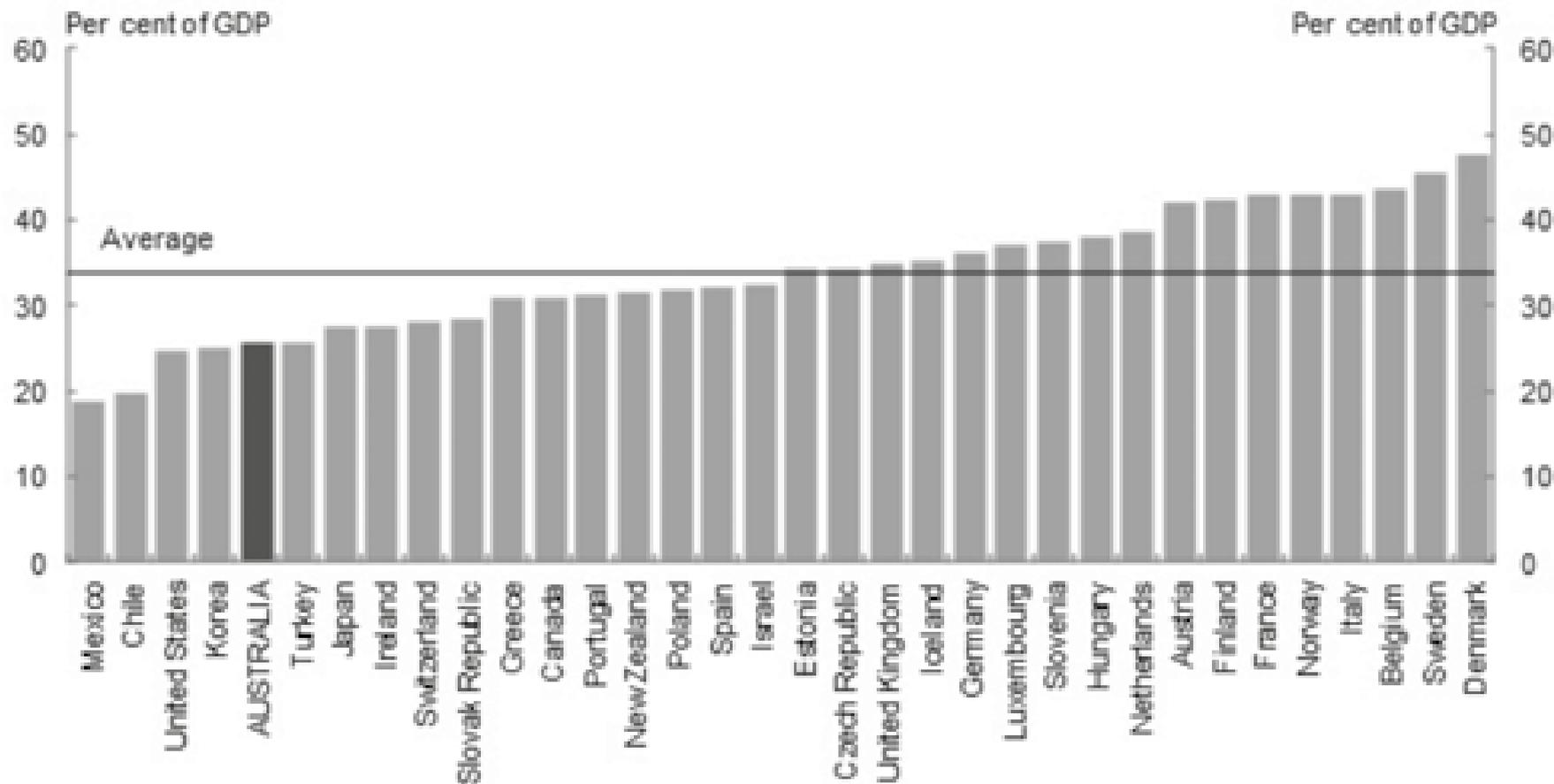
Source: ABS Household Income and Income Distribution 2011-12
(ABS equivalised figures are adjusted for household size and composition)

INCOME INEQUALITY IN ANGLO-SAXON COUNTRIES, 1910-2010



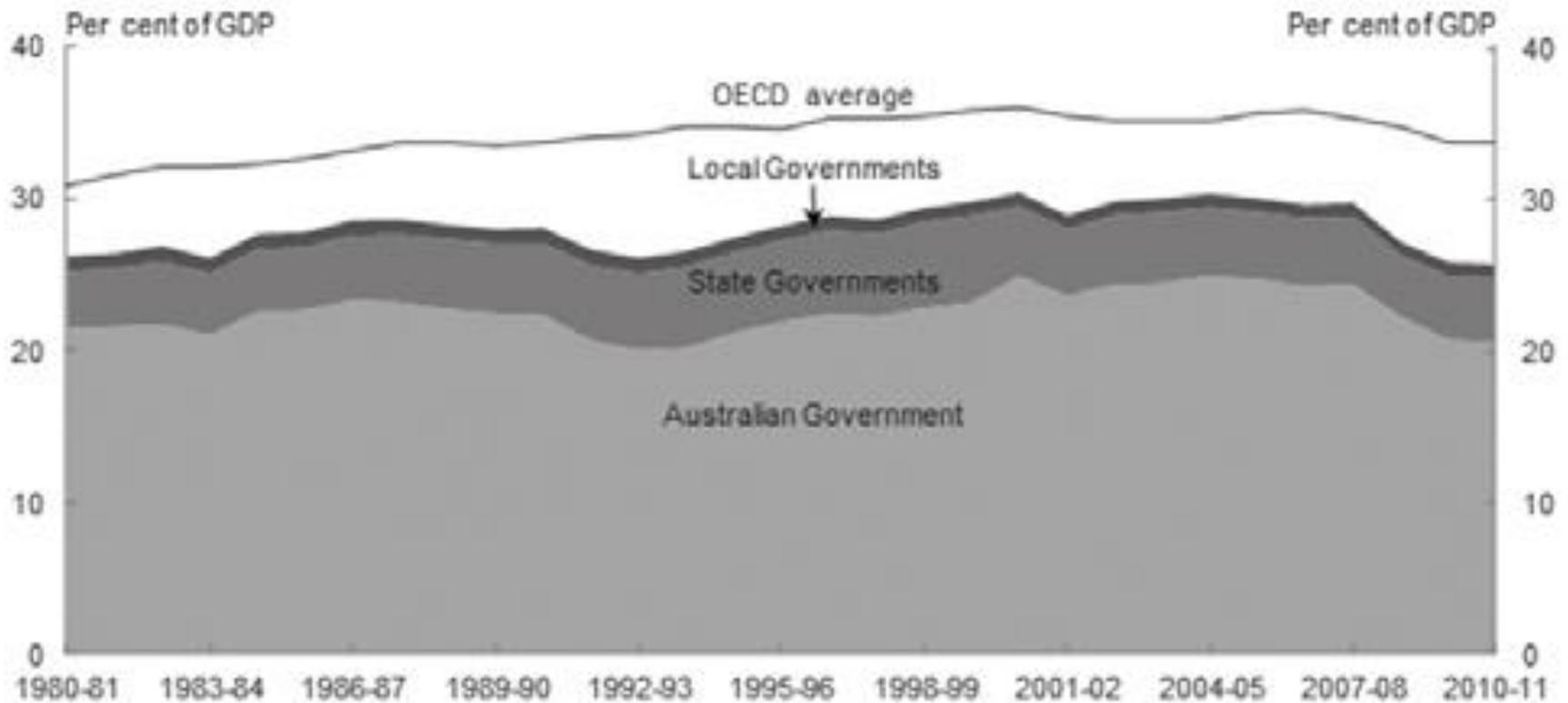
Source: Piketty 2014 p. 316

Tax-to-GDP ratio for OECD countries, 2010 (Australian Treasury 2013)



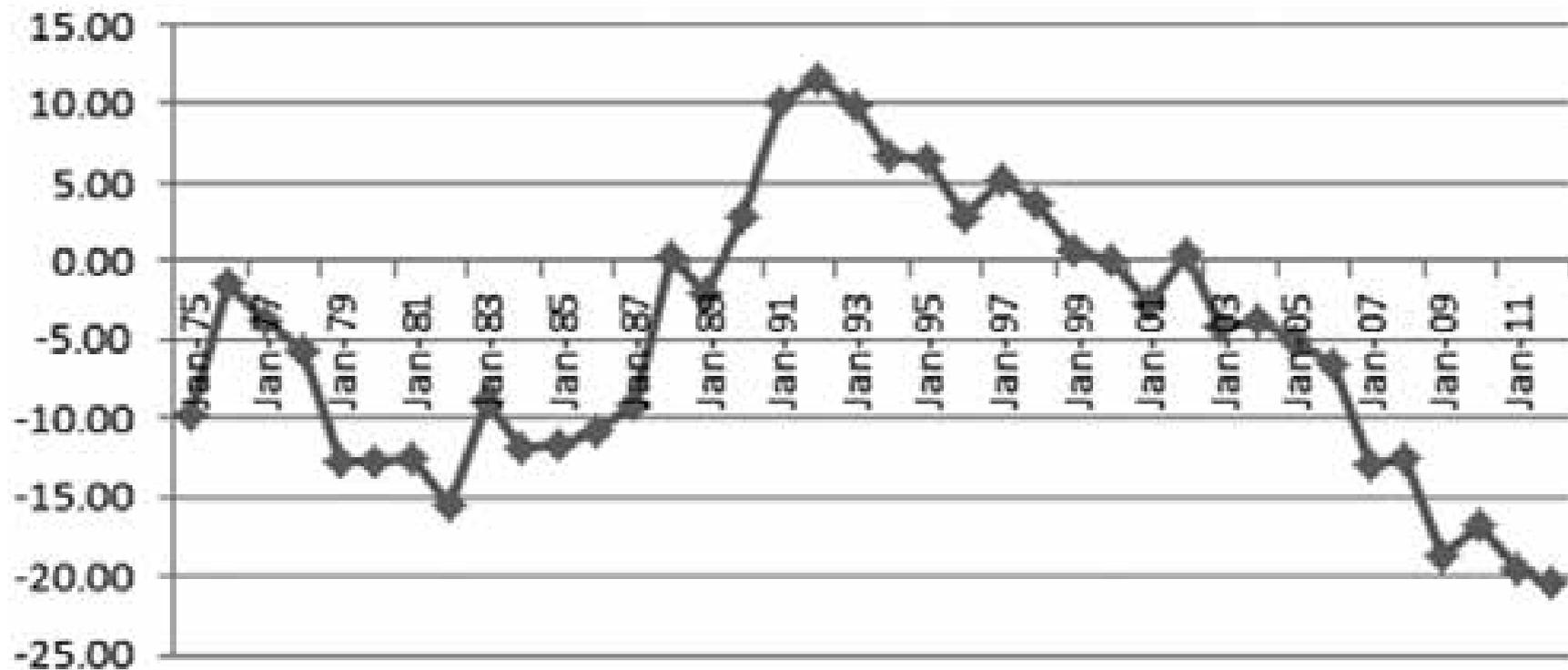
Source: ABS, Taxation Revenue, Australia, 2011-12; and OECD Revenue Statistics 2012

Australia's tax-to-GDP ratio by level of government (Australian Treasury 2013)



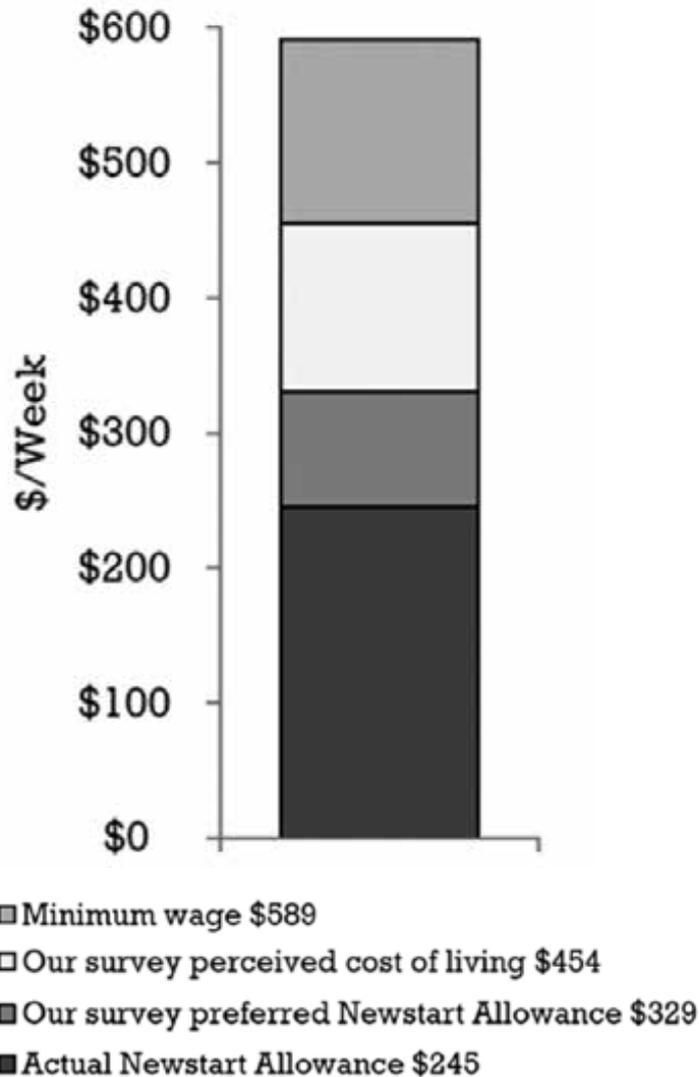
Source: ABS Taxation Revenue, Australia, 2011-12, and OECD Revenue Statistics, 2012

Unemployment benefits versus poverty line, showing the gap as a percentage of the poverty line over time



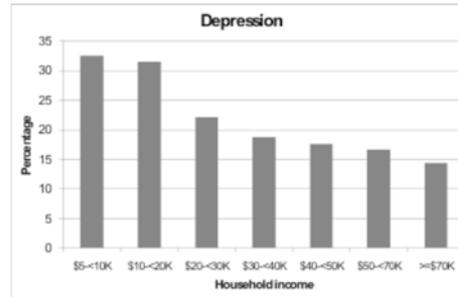
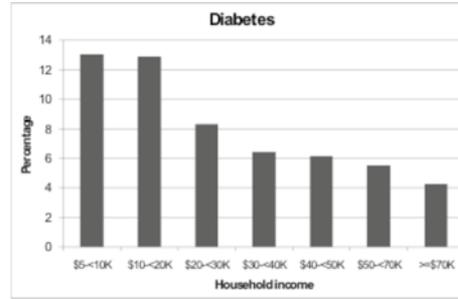
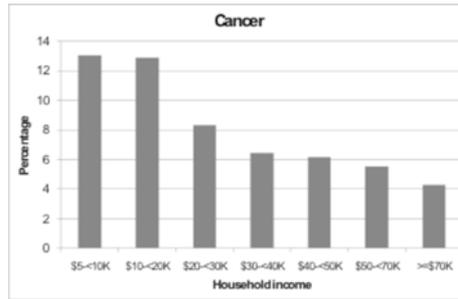
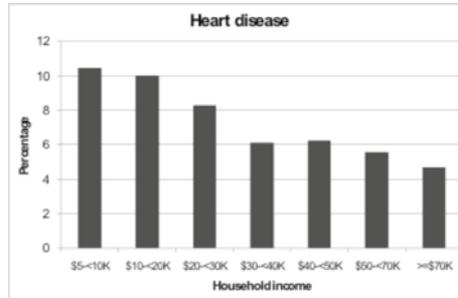
Source: Calculations by The Australia Institute based on Melbourne Institute of Applied Economic and Social Research, Poverty Lines: Australia (various issues), and Australian Government 2014

Actual Newstart Allowance compared with preferred Newstart Allowance, perceived cost of living and minimum wage



Source: Denniss and Baker 2012

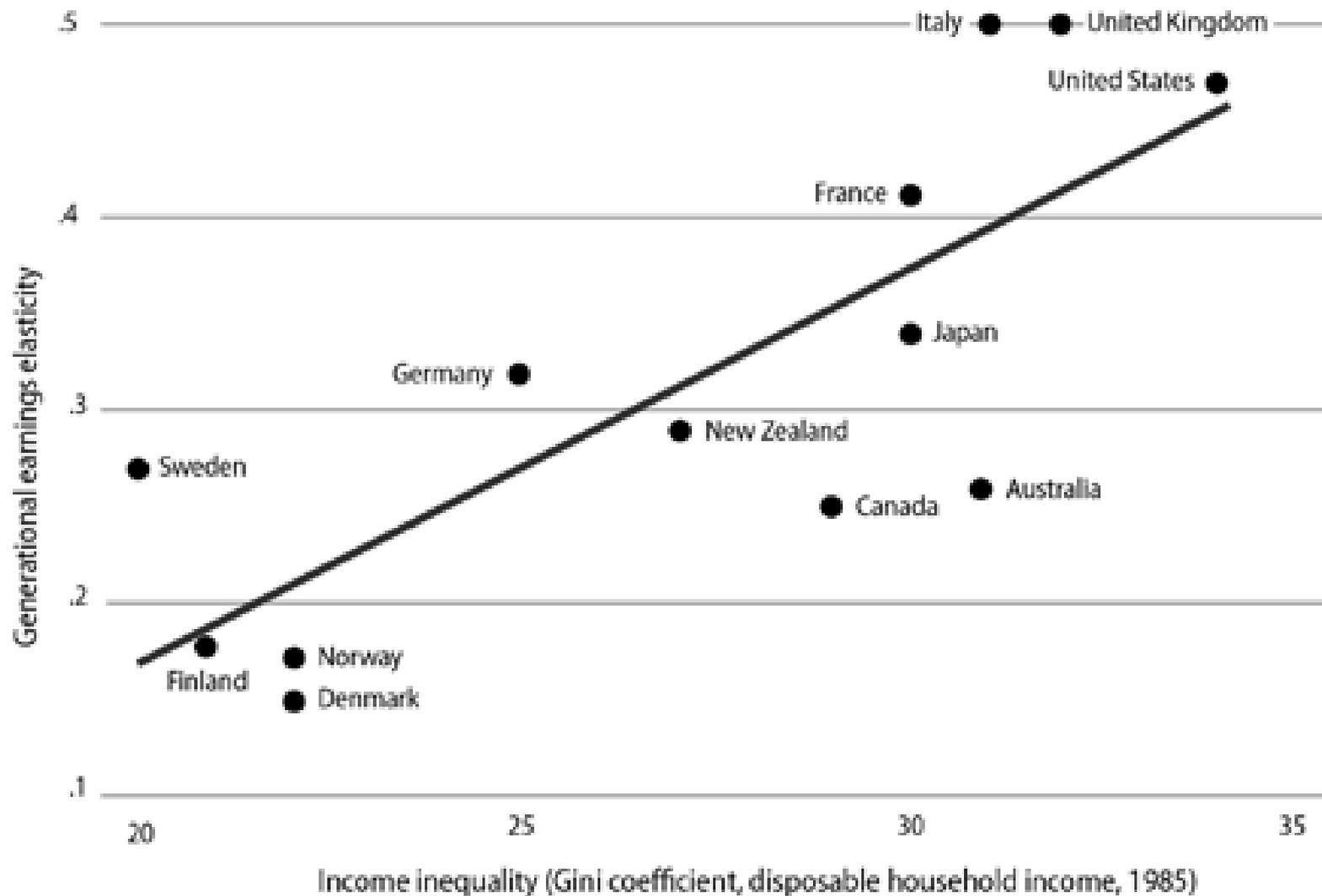
Socioeconomic gradient in the prevalence of four health outcomes, among people aged 45 years and older, New South Wales, Australia (data years 2006-09)



Source: Korda R, Latz I, Yengprugsawan V, Paige E and Friel S. 2014

The Great Gatsby Curve

More inequality is associated with less mobility across the generations



Source: Miles Corak, "Inequality from Generation to Generation: The United States in Comparison." In Robert Rycroft, ed. *The Economics of Inequality, Poverty, and Discrimination in the 21st Century* (Santa Barbara, California: ABC-CLIO, 2013).

Australia in June 2014

- Our current government is in climate and environmental denial.
- Anthropocentric market fundamentalism rules our culture.
- The current government is deeply unpopular among the “chattering classes”.
- Inequality is growing rapidly and will worsen in coming months.
- National policy is driven by the wealthy elites in their interest.
- Transformation of the culture to eco-centrism has never been more urgent.
- What will it take?

Elements which transformed Cuba in 1959

- A deeply corrupt dictator in power (Batista).
- A visionary and determined leader (Castro) who had been planning the revolution for about 10 years.
- A brilliant strategist (Che Guevara)
- A profoundly oppressed population ready for change.
- Rapid action.

My take home message

- Feedback loops are powerful reinforcers of the status quo.
- Intentional transformation requires a combination of a supportive population, leadership, vision, strategy and quality implementation.
- If we agree that transformative change is needed in Australia, we need to recognise the validity of Castro's words: .
- *“The problems of the Republic can be solved only if we dedicate ourselves to fight for it with the same energy, honesty and patriotism our liberators had when they created it.”*