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Is the information market failing the welfare sector or has democracy been hijacked?

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Alternative economics, economics of happiness, LETS systems, local food trading, critical analysis of the current economic system, etc.
Editorial

Welcome to Volume 11, welcome to our new name – New Community, a quarterly journal - and welcome to our renewed commitment to bring you news about Australian and international Community Development and related 'affairs'...

I know that we should not – again – start the editorial of the first issue of the new volume with apologies, but just for those of you who are new to this journal... we are late – again. We have explained numerous times that we are a group of rather busy volunteers and community activists who have their fingers in more activist pies than just publishing this journal. Sometimes things happening in the context of the other projects and programs we're involved in prevent us from regularly and on time producing the New Community... As we have already let you know, the last two years have been particularly busy with several of us - including your editor - being involved in a veritable administrative nightmare related to the re-accreditation of the OASES Graduate Course; in conjunction with New Community's partner organisation, the Borderlands Cooperative we have been offering this course for about 7 years now and the process proved to be a protracted struggle mostly surrounding 'compliance' and 'risk mitigation'. That delayed the preparation of the last two issues of 2012 until just a few months ago...

But we do plan to catch up... This issue and the second of 2013 will be arriving together in your mailboxes and we are receiving good responses to our invitation for the third issue – on 'CD and Aboriginal/Indigenous peoples' - which we hope will come to you in November... That would then leave the fourth issue to arrive with you early in the next year... and then we are close to being back to 'normal'...

We had hoped to be ready with the publication of New Community in an on-line electronic format in addition to maintaining the printed version. We have had to delay this for a year but have firm plans to have the 12th volume becoming available in both formats. Watch this space for more announcements about the proposed subscription prices and other details about the on-line version.

We also have decided to not increase the cost of the subscription; but we do need more subscribers... several of you have written us very complimentary notes about the journal and that really pleases us very much. We're happy to share some of readers' comments:

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With the (then expected) decimation of the Gillard (later Rudd) Labor Government will come renewed pressure to cut back on public spending and ‘reform’ welfare and community sectors in Australia (see Sawyer 2002). The mantra of fiscal responsibility that has underpinned the attacks on this government will preset the agenda for the next. This article examines social pressures against the ‘welfare ideology’ in the current Australian political climate, based on an analysis of the attacks on the 2010-13 Labor administration and the forces behind them. The discussion considers influences on public sentiments towards compassion for the needy and the necessity of sound social policy.

The political context

Australia’s 3rd city, Brisbane, is home to nearly half the 4.5 million population of Queensland and yet, it is informed by only one sole daily newspaper, the ‘Courier Mail’. On August 20 2010, the day before the Australian Federal Election, acknowledging the critical political importance of Queensland’s marginal seats in the Commonwealth election, it advised Queenslanders that “We can only move forward with the [LNP] Coalition”.

The paper’s editorial featured a two-page critical spread and argued passionately that the public should vote LNP, so that for “the next 50 years” the “promise and potential” of Queensland not be “hindered by the dead hand of government holding it back”. This print media preference for libertarian language, conservative government and miserly social policy preceded a localised political thrashing of a previously popular, first-term Labor government. This was to presage three years of harsh criticism of the Labor-Green-Independent ‘Gillard’ government.

In contrast to the 2010 Queensland federal election result, Labor’s popularity held in Victoria, where a more moderate press prevailed, prompting a closer consideration of Druckman and Parkin’s (2005) analysis that press bias affects election outcomes: did Labor lose scores of Queensland seats because public opinion was swayed by what former Liberal Prime Minister Malcolm Fraser (2010) and academic David McKnight (2010) see as biased coverage by the ‘Murdoch press’? Though Labor’s economic policy had certainly played a major role in the survival of the nation – in fact its economic growth - throughout the Global Financial Crisis, Brisbane’s media denied in 2010 that progress could occur when Labor’s ‘dead hand’ constrained industry. Since this time, Prime Minister Gillard’s reform agenda has been subjected to an unprecedented negative press (Howitt 2013).

To understand the importance of such media bias against the Labor social agenda, there is a need to recognise the influence of newspapers and the nature of their failure both as an industry and as a source of quality information in Australia. First, we need to consider that, since the 2010 election, the Gillard government has been represented as an ineffective failure even though it has implemented approximately 500 pieces of legislation through a – supposedly - ‘hung parliament’. Though some of these included some ineffective policies – for example, the new mining resource tax - Australia’s economic performance is considered a world best after 22 years of continuous growth (SBS 2012). Most remarkably,
the Australian Labor government has been recognised by the conservative US Heritage Foundation (2012) as managing the third most ‘economically free’ country in the world (after Hong Kong and Singapore). Further, though the Labor government’s ‘Carbon Tax’ policy has had little or no negative impact on the economy, the ‘Finkelstein Report’ (2012:112) comprehensive analysis of the News Limited coverage demonstrated that the two largest tabloid papers ‘campaigned’ against the policy, showing 82% ‘negative coverage across News Limited papers’ in general (Finkelstein 2012:112). Evidently, there has been some press commitment to downplaying the Gillard government successes and attacking and exacerbating its vulnerabilities. 

Previously, Murdoch’s ‘The Australian’ of 9 September, 2010 proudly proclaimed that it was seeking to damage the Green side of the Labor-Green coalition Government, because they ‘should be destroyed at the ballot box’ (ABC 2010b). Evidently, the Murdoch media corporation agrees with McKnight (2010) that it is biased and perceives, as Druckman and Parkin (2005) do, that it can influence democratic outcomes. The discussed political events seem to be significant case-studies of public perception ‘management’ or, in other words, anti-Labor or anti-welfare ideological ‘spin’. One might ask: where does the ideological fervour of this obvious partisanship derive from and how does it work?

The examination of this spin must begin by juxtaposing it with core principles that have for two centuries underpinned liberal-democratic societies. These principles intended every individual to be free to make political (and other) choices, based upon good reasoned judgement, after considering all facts that are available in a ‘market-place’ of ideas (Mill 1859). It is assumed that individuals desire happiness and seek the information that will help them to rationally choose which options (or goods) will give them most satisfaction. As the print media remains a principal source of political information for most people, there is an obvious problem; firstly there is little choice and, secondly, since Upton Sinclair’s (2003) critical work in the 1920s has shown, it has become abundantly clear that the ‘free-press’ is not committed to providing correct and objective information to assist the public in better understanding important political matters.

Though the public relies on the media for its information, liberal-democratic forces do not ensure that the ‘free media’ tells the truth; liberal-democratic ideologies make every individual consumer responsible for actively judging the truth of suppliers’ truth claims about goods and about political information. Just as the buyer needs to beware in choosing the best, most-satisfying goods, the reader/listener must beware of politically biased and false information in the press. When, however, one media owner dominates the majority of information sources (i.e. 9 of 12 major national newspapers) as well as the editorial practice and policies of all its mastheads, it is important that the public is made aware if he is seeking to destroy one side of politics, empower the other and hide the truth. Yet, Australian readers have been left with the individual responsibility to become and remain aware of this anti-welfare and anti-Labor media-spin being generated in the media.

Individuals, however, need and deserve to be alerted about the false claims and be offered a real choice of ideas against which to make up their minds about the patent falsehoods. For example, readers – the public – need to perceive that the underlying ideas upon which the biased opinions expressed in the media represent ideological judgements rather than facts; they also need to become aware of the reasons why such untruths are being perpetuated and that, in the absence of alternative opinions, they will quite normally perceive the media statements to be facts. Being, for example, unfamiliar with the mechanics and meanings of federal budgets and all newspaper articles insinuate that the current one is pointing at negative outcomes, people will judge the budget negatively even if - comparatively - it performs amongst the ‘best’ in the developed world.

In this light, the dominant libertarian ideology upholding liberty and free-choice seems caught in its own choice paradox: since the public only can access information sources biased towards libertarian arguments, ‘free’ choice is thwarted. If it upholds free choice, it should uphold people’s capacity to make choices between alternatives. Yet, it can be argued that as early as the 1940s, key anti-welfare ‘libertarians’ have been organising not to ensure freedom of political choice but to modify the public’s opinions (Friedman, nd). It is, therefore, increasingly important, if ‘free’ choice is to be maintained, that the libertarian bias be made transparent and that the public can understand the very idea of liberal-democracy, of political-choice, freedom and the libertarian influences that are affecting them.

The libertarian ideologues operating from established organisations such as Australia’s Institute of Public Affairs (IPA) link with the global Atlas Network in seeking to comment on-air and in print as policy experts in support of free-market ideology and in promoting beliefs about government policy being ‘dead hand’ activity (Beder 1999). Though they are stridently anti-welfare, IPA staff seem to genuinely believe that their own ideology is underpinned by economic logic and that their claim to government policy expertise deserves serious examination (Logan 2012; IPA 2012). As libertarians, they promote free-market decision-
making and presumably liberal ideas about informed democratic decision-making. As Australia’s foremost libertarian ‘think-tank’, the IPA wrote a Submission to the Independent Media Inquiry, which argued that “newspapers themselves have as much a right to free expression as the individuals who comprise them” (Berg 2011:2). Contradicting the original philosophical principles of human rights, IPA libertarians argue that rights and freedoms extend not just to individuals but to private sector media corporations seeking to present deliberately biased or misleading information. Libertarians argue that the public is a collection of independent individuals who have personal responsibility for seeking-out correct information, even where a biased media dominates information supply and misleads individuals. Government cannot interfere without (being accused of) infringing on market freedom, as media regulation represents the ‘dead hand’ of government reducing market success for media entrepreneurs, limiting media expansion and acting against ‘liberty’. Thus, libertarians argue that the media must have total freedom (even to lie if so desired) and the media themselves promote such libertarian ideas (Burton 2007).

It thus appears as if the interests of the libertarian ‘right’ and the media align, since their ideas about the freedom of the press and their disregard for politically balanced reporting converge. Further to this, groups like the IPA offer advantages to the media as they provide an appearance of independence, some perceived academic status, media ‘accessibility, soundbite savvy’, and much ‘free copy for opinion pages’ (Burton cited by ABC 2010). Corporate sounding names, like the Centre for Independent Studies and the Institute for Public Affairs promote the perception of independence and academic credentials. Put simply, a company employee cannot appear to be an unbiased expert but ‘copy’ produced by a ‘libertarian think tank’ can authoritatively present corporate self-interest as economic logic. Thus, through borrowing ‘think-tank copy’, the media can for little cost appear reliable and companies can pay or ‘support’ think-tanks towards producing favourable perceptions. Demonstrating such close links between libertarian think-tanks, corporations and the media, the Mediawatch program on Australia’s public broadcaster (ABC 2010) aired an interesting case study linking multinational tobacco companies’ funding of the IPA, the IPA support for tobacco companies’ marketing rights and a proliferation of IPA-informed media attacks on the government’s tobacco marketing regulations. Apparently, government should not limit our individual freedom to consume toxic, addictive products and companies should be free to market them – in spite of the cost to the national purse in terms of health costs and early death. The ABC cited Burton’s (2007) view that:

“a little funding routed via a think tank enables the policy agenda of corporate funders to be projected to a broader audience with more credibility than if they did it themselves”.

Yet, if the public cannot judge whether opinions derive from corporations, think-tanks or media research, individuals cannot be expected to judge their quality or accuracy and they cannot make appropriate choices. Why would libertarians promote arguments that disempower people to make choices intelligently, as they advocate?

There is a ‘free-market’ logic which links libertarian think-tanks with the media but libertarian ideas about public choice also resonate with their preference for conservative government. Historically, as an institution, the IPA grew out of the same political networks as the Liberal Party and it maintains close links with this side of politics. This was recently evidenced when the once noteworthy LNP powerbroker and IPA Board Member, Michael Kroger (2011), spoke, firstly, to defend the rights of a journalist who had offended against the Racial Discrimination Act and, secondly, praised the growing influence of at least 14 journalists across the Australian media who favour the LNP. The offending journalist is supported by conservative mining magnate and (Fairfax) media co-owner Gina Rinehart and he is also employed by News Ltd. (the Murdoch press). Rupert Murdoch has been a member of the IPA Council and News Ltd. has been both a generous financial supporter of the IPA (Burton 2007:107) and the owner of Brisbane’s Courier Mail. As stated, the Courier Mail favours libertarian language and the LNP Government, opposing Labor-oriented policies.

Whilst it is – perhaps unsurprising that organised libertarian lobbyists seek to use media to ensure that the public would become subjected to libertarian perspectives, it is surprising that libertarian ideology achieves such uncritical and uncriticised presentation within the Australian media (ABC 2010) while maintaining such close links with conservative politicians. Burton (2007:106) argues that, although
the IPA intensive influences media opinion, the interests of the public need to be considered against the intentions and activities of corporate think-tanks. Even on the ABC, IPA representatives are frequently presented as ‘policy experts’ rather than libertarian lobbyists. Though libertarians see the media as part of a ‘market-place’ where their ideas compete to achieve public influence, they neither advocate that such ideas must approximate the truth, nor do they consider that the public has a right to reliable information regarding democratic government. Specifically, they abhor progressive government; they maintain close partisan ties with one party (IPA 2011) and argue that the free media have rights that compete with individual rights. They, therefore, cannot be reliable information sources but it seems that the media knowingly collude with them, because ‘efficient’ journalists can rapidly and frugally produce ‘expert copy’ from readily available ‘think tank expert’ opinions (Burton 2007:106).

If this is so, it represents a clear critique of the ethics of some Australian journalists (RJI 1994) and some consideration is required regarding the ethical problems associated with promoting libertarian anti-welfare ideology and political partisanship.

As a starting point, there is a need to consider why libertarians and Australian journalists believe that their actions are justifiable, even if they harm the democratic processes that many believe essential to individual happiness and harm minimization. It can be argued that one of the most important ethical skills in society, one that should be upheld by all professionals, is the recognition that when two different moral positions clash, one of these needs to be made subservient to the other (Freenard 2006:36-40).

Since the 1700s, liberal philosophers have recognised that the right to freedom for one person has its limits when it causes harm to another. For this reason, rights only apply to individuals rather than institutions and yet it seems that libertarians and the Australian media advocate that media organisations have a right to mislead the public, influence public policy and subsequently manipulate the election of governments which favour corporations to the detriment of needy Australian or the social good. As Labor Senator Steven Conroy attempted to implement some relatively minor media reforms, a wide range of personal attacks in the Murdoch media likened him to Joseph Stalin. Media ethics has been notoriously incapable to deal with such professional immorality as highlighted in the following propositions which illuminate several problems for Australian democracy:

**Proposition 1:**
The Australian community has long upheld democracy as paramount and the public has recognised the primary importance of good democratic government;

**Proposition 2:**
Individual members of the public cherish their right to make good decisions based upon sound information but they are predominantly informed by the media;

**Proposition 3:**
The public predominantly perceives that the media is an information source for decision-making and yet, the media perceive that they are storytellers that seek to sell ‘news’ cheaply by using free stories provided by think-tanks (packaged as research findings or economic logic);

**Proposition 4:**
The Think-Tanks were set up as the foundation of a covert libertarian (‘right wing’) social action movement, beginning with Friedrich von Hayek and Anthony Fisher agreeing on a strategy to change public thinking to conform with their ideas in ‘The Road to Serfdom’;

**Proposition 5:**
The Think-Tank ideology abhors interventionist government, has no commitment to truth-telling, colludes with corporate enterprise and supports marketised concepts of ‘freedom’ rather than human rights as they are conceived and proposed internationally;

**Proposition 6:**
The media itself is increasingly integrated with and influenced by libertarian ‘right-wing’ perceptions of social reality and presents information from that perspective to the detriment of welfare logic, labor unions and interventionist governments;

**Proposition 7:**
The propositions 1-6 result in damage to Australian democracy, to the detriment of Australian people;

**Proposition 8:**
This impact on democracy is not important to the libertarian movement as they favour perceived positive impacts on the free market, which rather than harming democracy, they argue, are protecting and enhancing modern civilization (Hayek 1980).

Such ethical conundrum demands a comprehensive examination of liberal-democratic influences on contemporary society and of libertarian influences harmful to or enhancing of ‘modern civilisation’. Propositions 1-3 show that there is need for the welfare and community sector to challenge the right of the ‘think-tanks’ to dominate media-distributed ideas about the role of democratic governments in Australia. If Australian society is to again return to caring about representing the ideas and needs of democratically motivated individuals rather than those of a-moral corporate ideologues, the media should be informed about the values and truths governing the welfare and community sector. It is unsurprising that people currently increasingly refrain from purchasing newspapers and that they are failing commercially (apart from the influence of the social
media and other factors). People recognise that the ‘stuff’ they are reading is less about ‘news’ and more entertainment (or ‘infotainment’ as it has been called). People know that they can obtain better entertainment for less cost and less effort – and without having their intelligence insulted...

This leaves people/readers short of quality information upon which they can build sound decisions about democratic governance and welfare and other community-relevant policies. In absence of well-rounded and balanced information, readers and other consumers of ‘news’ are still left to make decisions (e.g. in the voting booths) but without any meaningful information that may guide their perception of the welfare state in such a way that they may consider supporting policies that will help the needy. The libertarian lobby is well resourced to ensure that the public is flooded with ideologies about ‘small government’ and ‘welfare-as-dependency creation’, all packaged as economic principles.

Though it has been generally accepted across the developed world that the global financial crisis required public spending to protect both the core industries of the major economies (including the banks) and those citizens who had been severely hit, there is a belief in Australia, in spite of (or because of?) avoiding much of the worst of the financial disaster, that it was and continues to be necessary to cut back spending. Even if the long ‘boom period’ between 1950-70 represented the great economic growth and increasing equity, it was also characterised by government investment in public spending, building infrastructure and in an expansion of the entitlements of the welfare state, today, the mainstream agenda seems unequivocally to reduce government spending. Even the Gillard Labor-Green-independent government has been obsessed with national government budget surpluses and the incoming Abbott government has a ‘dry’ economic agenda as widely publicised.

It is time that this seeming orthodoxy is challenged by the welfare and community sector, not just at the level of individual services, but as a call to reallocate and redistribute resources away from the wealthy and towards the poor. Contrary to this, the agenda to distribute resources from the poorer towards the wealthier has been the underpinning of the libertarian and neo-liberal or economic rationalist view in support of the infamous ‘trickle-down’ assumptions generated during the Thatcher and Reagan areas and as ‘invented’ by the ‘economists’ from the Chicago School.

It should be forcefully – again – proclaimed that social support and inclusion are socially and economically useful rather than being pathways towards welfare dependency. And if democracy could be restored to its proper place in the reproduction or our political-economic system, that would be a bonus... although, realistically, we do not seem to do much that would strengthen any hope of this happening any time soon... if at all.

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