



OFFICE OF THE NATIONAL SECRETARY

Public Policy Response to COVID-19 - Briefing Note

Tim Kennedy | 22nd of March 2020

Introduction

As the impact of COVID-19 continues to unfold around the world we must act to advance a united and effective response to this crisis. The Australian trade union movement is uniquely placed to understand the needs of our members and working people during this time.

Background

The United Workers Union was created to rebuild the power of working people and to create permanent change for the many and not the few. How we respond and struggle with workers now can create a permanent change to a system that does not work for the 99% anymore.

Moments of rupture create space and impetus for change—never waste a crisis.

While it is too early to predict exactly how this crisis will play out, we know from history that anti-worker movements will also mobilise during this time in an attempt to further entrench systems of wage theft and exploitation that already undermine our workplaces.

The status quo has always been unequal; this crisis has revealed it is also untenable.

Immediate Solutions

Together we can advance a progressive alternative vision our members would be motivated to fight for. The first step is an emergency economic response with three elements; income, investment and ownership.

The immediate first steps are outlined below and deal with income, investment and ownership.

1. **Income.** A basic income is a guaranteed periodic cash payment delivered on an individual basis (rather than a household). The payment is unconditional meaning the recipient is not required to work or demonstrate willingness to work, nor is the payment means tested.

The United Workers Union proposes the basic income be delivered to those financially impacted by COVID-19, regardless of whether they were in paid employment or not before the outbreak, until the end of 2020, at which time the situation can be reassessed and built upon.

Workers who have not been impacted financially, such as those who can work from home without loss of pay or those able to receive special ongoing leave provisions from their employer, would be exempt from receiving the basic income as they have not been impacted financially.

Demanding an Income Guarantee is Jobs You Can Count On in action

Jobs You Can Count On has never been about full employment or other labourist policies, but about security and dignity for the working class. During a time of crisis and insecurity, basic security is a natural public good. It's non-rival meaning you having security does not minimise my own security—in fact we gain from others having security.

Economic security gives rise to greater levels of social solidarity and workforce participation which in turn creates the conditions to organise and take action to win and lock in gains.

For many, security can be a precondition of solidarity. The neo-liberal movement of security and risk (through insecure work) from capital to individuals is a primary driver of economic and social inequality. Fear and insecurity also erodes social solidarity.

A basic income helps turn the tide against fear.

Most wealth does not flow from wages. We already have socialism for the rich.

For many, the idea of being paid when you're not working is foreign and strange. We must remember however that under rentier capitalism most income is not dependent upon wages. Rather it flows from asset ownership, be it physical, financial or intellectual. A much smaller pool of wealth is tethered to wages, and we've seen this return on wages stagnate for almost four decades now.

The Idea of a Universal Basic Income (UBI).

While the position being advocated by the United Workers Union at this point of the crisis is not for a UBI, but rather a basic income at the rate of the minimum wage for all workers (broadly defined) impacted by COVID-19, the second challenge posed by this paper is that if we are serious about changing the power structures that seek to preserve a failed system, then we will need to formulate universal responses in the interest of the working class.

A Basic Income is not a wage, but a social dividend on our collective wealth.

We are the working class. Even if we are not employed we are always working—in our homes and communities. Wage labour doesn't define us and our ability to live shouldn't be dependent upon it.

Unions and the ILO often declare that labour is not a commodity, yet we tether basic social provisions to having a job. A UBI is a practical step towards decommodifying labour and creating the security needed to build solidarity and the conditions to organise and take action.

2. **Investment.** Fatih Birol, the head of the International Energy Agency (IEA), stated that we have “a historic opportunity for the world to, on one hand, create packages to recover the economy, but on the other hand, to reduce dirty investments and accelerate the energy transition”.

Not only must the level of stimulus reach to the scale of the COVID-19 crisis but the direction of that funding should include not only vital social spending but also the new energy infrastructure that the world needs such as large-scale renewable energy generation, upscaling battery storage, increasing Australia's carbon sinks, and building up the capacity to export hydrogen at a significant scale.

It is vital that work on this renewable energy generation and export infrastructure begins quickly in order to help people to return to work as quickly as possible. Moreover, it is absolutely necessary that workers in these roles have both job security and decent union rights from day one. It is the involvement of the relevant unions at each point that will ensure these worksites do not degenerate into new points of COVID-19 transmission.

3. Ownership. Any public funds going to the corporate sector, or other government interventions done for their benefit, should come with clear responsibilities to more democratic decision-making within firms. This can mean different things depending on the sector. Essential sectors that make goods or services that society universally relies upon should come under public ownership, this includes firms in the following sectors:

- Energy
- Health and Care
- Early Childhood Education
- Telecommunications
- Transport and Logistics

Public ownership should not return to the old top-down institutions of yesterday but come with a role for workers and customers in the democratic management of such institutions.

Where it may not be appropriate to bring some firms under full public ownership, the use of public funds should come with an obligation on firms to engage in co-determination.

This means that one-third of all board positions in firms that receive a corporate bailout as part of this crisis should go to the non-managerial staff of the firm. This is a key way of making sure that public money cannot be used for share buybacks, executive pay or as a fighting fund to lower wages and conditions of employment.

UWU trusts and believes in the capacity of workers to make smart decisions and hold their employers accountable to the public interest.

The most obvious public example is the \$700+ million bailout of the previous publicly owned national airline, Qantas.

Finally, in discrete sectors that are vital for social functioning, facing structural challenges and not necessarily appropriate for a functioning public monopoly, public funds should be used to drive de-corporatisation and re-mutualisation.

Such sectors include agriculture, food processing, hospitality and some segments of social care. The co-operative model has stood regional and rural Australia in good stead for generations. It is a resilient business model better adapted to times of crisis. Such restructuring where required should be done on the basis of including all relevant communities of interest such as farmers, workers, traditional owners and consumers.

Demands

We are calling on the Federal Government to intervene and play an active role in guaranteeing and providing social and economic security during this time.

Market logics of profit maximisation and unequal distribution must be abandoned, and three key demands granted:

1. **Security for Workers:**

➤ Basic income payment

Guarantee \$740.80 per week (minimum wage) paid to workers financially impacted by COVID-19 for reasons such as inability to work from home, loss of employment, illness or unpaid self-isolation.

This includes all workers including casuals, labour hire, self-employed, contractors and gig workers irrespective of citizenship, visa or non-visa status. While we welcome the Government's March 22 announcement to double the rate of Newstart payments, we maintain that minimum wage is a more appropriate wage floor.

➤ Extend Medicare.

Guarantee Medicare access to everyone currently in Australia including visa holders and undocumented workers.

➤ Parity for Welfare Recipients.

Raise Newstart and other Centrelink benefits immediately to ensure that every person is receiving at least the minimum wage.

➤ Tax-free threshold increase.

Provisionally raise the tax-free threshold from \$18,200 to \$25,000 to assist the lowest income earners in the country.

➤ Moratorium on rent and mortgage payments.

Immediately implement a Moratorium on rent and mortgage payments. We welcome the Government's March 20 announcement to protect renters against evictions during this time.

2. **Security for Migrants**

➤ Visa amnesty.

A full visa amnesty for undocumented migrant workers and an end to visa enforcement and detention actions by the Department of Home Affairs.

➤ Protection from Discrimination

Make a commitment to zero tolerance for xenophobic nationalism or attacks on migrant communities as a result of the crisis.

3. **Industrial Security**

➤ Renewable energy.

Include new renewable energy generation and export infrastructure as a vital component of any COVID-19 stimulus package going forward.

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- Jobs guarantee.
All employers to guarantee jobs; no layoffs permitted during this time even if shifts are unavailable. Workers to resume work when shifts are needed again.
 - Public Ownership.
Don't bailout essential sectors—buy them. Bring public goods back into public ownership.
 - Bailout conditions.
All industries in receipt of government money to meet with strict conditions on ethical labour and environmental standards.

What's Next

There is an urgent need to develop a coherent alternative to the crisis capitalism of today. We need to develop and agree on a range of systemic changes to power structures around matters such as a UBI, Democratic Ownership, Allocation and Distribution of resource, technology and surveillance and most importantly our pathway to a sustainable future out of the climate crisis.

Our union is lucky to have many people who have dedicated a great deal of time to thinking about these issues and we should support them.

Here is just one example from Godfrey; changes in rights that are required to make us ready for the next crisis - all workers getting sick leave for instance - see <https://overland.org.au/2020/03/why-we-need-two-weeks-special-leave-in-the-fight-against-coronavirus/>