

## DEPRIVATION NOSTALGIA

**Clive Hamilton**

The most common criticism of my work to come from the left (*e.g.* the preceding article by Battin and Ramsay) is that I have downplayed the extent and significance of poverty, and deprivation more generally, in Australia. The left has always been motivated by moral repugnance at material deprivation, manifested in poverty and income inequality. I argue that, while deprivation has not disappeared in affluent countries such as Australia, to cling to a worldview that arose in a society in which the bulk of the population suffered material deprivation is incongruous and politically marginalises those who cannot recognise that we live in an era characterised by widespread affluence.

In real terms, Australians today are on average three times richer than their forebears in the early 1950s. After decades of growth we still have poverty. About 10 per cent of Australian households fit any reasonable definition of ‘poverty’ and perhaps at any time another 10 per cent seriously struggle. As Richard Denniss and I argue in *Affluenza*, concern for the underprivileged is right: a society in which no one cared for others would be a type of hell. But the circumstances of the bottom 20 per cent cannot provide the basis for a politics of social change in a society where the great majority of people are surrounded by abundance. Clinging to the deprivation model actually reinforces the arguments and political position of conservatives—the growth fetishists—and prevents us from confronting poverty.

Thus in Australia today we do not lack the ability to solve poverty; we lack the will. And the richer we become as a society the more unwilling we are to sympathise with those at the bottom of the heap. We have been unable to make the necessary changes to social structures to reduce poverty further because of the majority’s preoccupation with protecting

their own incomes, a preoccupation nurtured every time a political party declares that its priority is more economic growth. The belief in trickle down acts as a salve for a guilty conscience. In a society characterised by self-focussed materialism, social justice is an increasingly unattainable goal. For any progressive actor, it is therefore necessary to tackle that self-focussed materialism first and foremost. That is the essence of my political strategy.

This is why I argue that to solve the problem of poverty, we must first solve the problem of affluence. Yet that must be done in the face of the formidable pressures applied by consumerism itself, which, having solved poverty materially (for most people), must constantly recreate it psychologically. Otherwise, the system cannot keep functioning, because the role of marketing is to sell the belief in one's own deprivation and the redemption that comes through consumption.

This restatement of my position ought to undercut some of the criticisms made by Battin and Ramsay, namely that I downplay the extent of poverty. I don't; I attempt to place it in the context of modern consumer capitalism. My argument is that it is not enough for declarations of outrage, as in the authors' claim that levels of real deprivation are 'inexcusable'. The important question they do not confront is: *Why is it excused?* Why, in the midst of affluence, do Australians tolerate poverty?

It does not help that Battin and Ramsay seem confused about inequality, its types, its measures and its relationship with material deprivation, to the point where the authors end up making the meaningless assertion: 'Significant inequality will always breed relative deprivation'. Their observations on the influence of wealth are equally unhelpful. In *Affluenza*, in particular, there is extensive discussion of how property prices and debt impact on attitudes and behaviour. One of the innovations of that analysis is to abandon the belief, common to commentators of both left and right, that the house price boom just somehow happened; we argue that, in large measure, it was rising aspirations themselves that made people more willing to commit a larger portion of their future stream of income to buying a more desirable house.

The authors use a variation on Galbraith's phrase 'private affluence and public squalor' several times as if to deny my argument that the dominant characteristic of modern Australia is affluence. But what do they mean by this phrase? They seem to be using it to 'prove' that there are still poor people in the population, something I would never deny. Everyone in Australia uses public facilities; most are not squalid but, in some poor areas, they certainly are. Yet the authors seem to think that a slogan serves to support their assertion that I fail 'to see the relevance of a left politics in an age of (relative historical) plenty'. Having been forced to concede that we live in an affluent society, albeit one in which affluence is 'relative historical' (whatever that means), the old left attempts to paint this affluence as precarious and somehow chimerical expecting, indeed hoping, that it will be washed away by some economic cataclysm so that the old model of deprivation will once more be relevant.

The authors attempt to undermine the reality of modern affluence with a peculiar argument about the 'woeful level of private debt', suggesting that high levels of private debt explain the magnitude of material abundance. A casual inspection of a few figures would show that the growth in consumption spending over the last decade or so has certainly been accelerated by rising levels of personal debt, but that debt accounts for a small share of total consumption spending, the rest has been due to rising incomes. It is true that these levels of debt are unsustainable, but limits on the growth of debt are not limits on the growth of spending. Moreover, increasing levels of debt are a *product* of affluence — consumers who feel wealthier and more secure are more willing to borrow. The fact is that personal debt and housing debt have been accumulated mostly by middle and high income households. Poorer households have been more prudent. It is certainly not true that the high levels of debt have arisen because the poor must borrow to put food on the table. Debt has been accumulated for the most part to fund the escalating lifestyle aspirations of affluent people.

It is a peculiar form of progressive politics that wishes material deprivation on those who have done well in order to bring the real world into accord with one's expectations of it. Isn't it easier to accept that the

world has changed and that one's ideas must change too? Thus phrases such as the 'supposed level of abundance' are attempts to impose outdated ideological notions about how the world should be, ones that evaporate on inspection of the income statistics produced by the ABS. The authors seem to wish for a recession, because then the supposed abundance 'would be recognised as an abundance of the wrong goods and services in the wrong sectors'. What are the right goods and services? Let's remember that the Coalition Government is the highest taxing and spending government in Australia's history and that, because of the welfare system, the incomes of the bottom quintile have been rising at the same rate as the average, at least for those households with children.

The authors reflect a contradiction of much left analysis. They admit and bewail growing individualism and selfishness yet insist that solidarity is alive and well — 'it is important to recognise indicators of a persistent collective ethos'. One cannot have both. But the fundamental error of the authors is to imagine that by some means the majority can be persuaded to take more interest in the circumstances of the minority who are deprived. The only means by which they can imagine that this may occur is to reduce the majority to the circumstances of the minority; that is the author's strategy in order to 'politicise this grievance in a way that overcomes inequality'. One can't help thinking that the authors want to teach the affluent majority a lesson for proving Marx wrong.

Battin and Ramsay repeatedly claim that my argument is individualistic and that my critique focuses on the immoral behaviour of greedy and self-deluded individuals. They say I devote little attention to the social and political conditions that have given rise to self-focused individualism. This is a wholesale misreading of my argument. I expatiate at great length on the influence of marketing and the culture of consumption, reinforced daily by the political system and the media, in transforming public-spirited citizens into self-focused consumers. Somehow this passes the authors by, and it is apparent why. It is because my explanation of this change is not founded in the 'real economy' of production, wage labour and surplus value. This reaches extraordinary levels when the authors talk of the deliberate creation of a reserve army

of unemployed labour to somehow sustain overwork. I thought this sort of economism died in the 1970s.

To claim that I 'blame' public squalor and general waste on 'individuals' seems to be rooted in an inability to recognise the distinction between individualisation and individualism, and ignores the whole basis of my analysis which attempts to explain changes in individual attitudes and behaviour by broad social changes. The suggestion that the problems I describe 'cannot be addressed by appealing to individual moral virtuousness' could be made only by those who have wilfully ignored all of my discussions of politics, political strategy and policy programs. In fact, I have mapped out a new political direction precisely because I argue that social change cannot be left to the decisions of individuals. I do indeed appeal to moral virtues, just as socialism did.

Claiming that a new analysis or argument is in fact just a re-hash of an old one is a well-worn debating trick, one that Battin and Ramsay deploy. We saw it rehearsed a decade or so ago in the debate over globalisation when there was always someone at the back of the audience who would point out that the share of international trade in world GDP was in fact higher on the 1920s. Even if this is true it is a meaningless point to make; it changes nothing about the current analysis. As it happens, it is not true in the case of the 'affluenza thesis'. In fact, the world of consumer capitalism in which we now live is radically different from all past eras; we have entered a new stage of capitalism. Never before has consumption activity so dominated daily life; never before has material acquisition as the path to happiness been so widely accepted; never before has the broad mass of people been able to aspire to a degree of luxury; never before have the values of the market penetrated so deeply into areas of social and private life; and never before has the culture been so inter-penetrated with messages of marketing. In short, we live in a marketing culture and any political activist who believes this is all old hat should just take a look around them.

*Clive Hamilton is Executive Director of the Australia Institute*  
*E-mail: [exec@tai.org.au](mailto:exec@tai.org.au)*