

MEDIA RELEASE | 1 April 2019

## COVID-19 Economic Response: Nordic Nations among Global Leaders as Australia Lags

The following statement can be attributed to Professor Andrew Scott, Convenor of The Australia Institute's Nordic Policy Centre:

The International Trade Union Confederation has compiled [a list](#) of the countries which have responded best on behalf of working people to the Coronavirus pandemic which has gripped the globe. The governments of the countries which have made it onto this list have all acted to assure: paid sick leave; wage support; income support for freelance, self-employed and gig economy workers; and free healthcare.

Although Australia has some of these positive attributes, notably free healthcare, it does not have all of them. This is why Denmark, Sweden and Norway make it onto the list, but Australia does not.

The organised tripartite co-operation and universal welfare states of the Nordic countries have encouraged an immediate, united societal response to this major health and economic crisis. The official disregard for organised workers, and the strictly and harshly targeted – indeed, bordering on residual – welfare in Australia have impeded such a response.

The Danish Social Democratic led coalition government, in co-operation with unions and employers, for example, immediately and decisively responded to the crisis by providing a direct wage supplement to employers of between 75% and 90% of wages up to a ceiling, on the [condition](#) that they not lay off workers. The Swedish Social Democrat led coalition government has similarly [guaranteed](#) 90% of workers' wages. The Morrison Government's recently announced wage subsidy is welcome but comes late and is overly focused on businesses rather than trying to ensure that as many workers as possible stay in work. In Norway, the strong trade union movement has led [initiatives](#) to ensure protection of workers' livelihoods.

Australia can see more clearly now why the Danish and Swedish words for tax (*skat* or *skatt*) also mean treasure: i.e. how tax there is seen in positive, not pejorative, terms. The negative consequences of Australia not having amassed more public revenue from past resources booms, and from people who have profited from gross inequality who could afford to pay more, deprives us of the common treasury upon which each Nordic nation is now able to draw to confront Coronavirus.

Australia unfortunately will also suffer now from its failure to maintain a strong manufacturing industry, its erosion of public sector employment, its underinvestment in health and community

services and its decisions to leave so many casual workers vulnerable without sick leave entitlements. This is in contrast to the Nordic countries which, of all the countries in the world, have most thoroughly implemented social democratic – instead of neo-liberal – policies.

Australia needs to switch swiftly to a large-scale fiscal stimulus tailored to these unique circumstances. This should not be merely ‘temporary and targeted’ – because it will need to be ongoing and comprehensive.

A high priority should be the injection of funds to improve the neglected infrastructure in the many schools which most need it in our unusually unequal primary and secondary education system, during this time when many students necessarily cannot be personally present in those schools. Similarly, now is the ideal time to refurbish the particularly dilapidated TAFE facilities of our post-secondary education system.

Several State Governments have gone out in advance of the national government to lead better responses to the Coronavirus crisis. Given that just last year *all* governments of Australia formally agreed to make vocational skills training an equal part of Australia’s post-secondary education system, alongside universities, they must now act to make this rhetoric real. Actually boosting our valuing and nurturing of practical workforce skills closer to how they are treated in the Nordic countries is one of the measures which will most help Australia get through the dark days ahead.