

### **Reclaiming Our Common Wealth: Policies for a fair and sustainable future**

*Originally produced by NewMatilda.com, Reclaiming Our Common Wealth outlines the values and principles which underlie the CPD's vision for progressive policy change to create a better Australia. The full document can be downloaded from the publications section of <http://cpd.org.au>: below is an outline.*

#### **Our lost common wealth - Australia's democratic and economic deficits**

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Australian democracy has been assaulted by a government which has concentrated power to itself and an opposition which has been too timid to assert its values and principles. The task of public administration has passed from the hands of the many to the hands of the few.

Superficially, the nation seems to be in good shape. Most people are enjoying unprecedented prosperity, but this prosperity is fragile, for we are living off our assets and mortgaging our future. Even as people enjoy that prosperity there is a sense of unease – a feeling that the good times cannot last.

Such unease is well-justified, for we are depleting our “common wealth”. That is the collection of shared assets we have accumulated over many generations: not only our “hard” assets such as our roads and railroads and our natural assets, such as soils and water, but also our “soft” assets, including our public institutions, our standards of behaviour in public life, our levels of trust in one another, and the quality of our family and community life. Many people have allowed suspicion and fear to replace openness and trust. We are a meaner and less welcoming society than we have been in the past.

Even in official economic indicators there are warning signs – high levels of personal debt, unsustainable foreign debt, widening inequality, unaffordable housing, incipient inflation and waning productivity.

We are reverting to a simple extractive economy, away from a complex mixed economy with a range of activities providing meaningful employment and resilience against future shocks. Distortions in our tax system have encouraged speculation rather than productive investment, and we have come to believe we can live off asset price inflation.

We have forgotten that our economy needs to be built on real wealth rather than the chimera of speculative profits. We have forgotten that people will give of their best when they believe the economic rules of society are fair – that their efforts, contribution and risk-taking will be adequately rewarded rather than being diverted to the benefit of a privileged few. We have forgotten to account for the costs of social exclusion.

Because we lack the skills base and investment (public and private) to provide well-paid employment in a globally competitive economy, we are having to divert more and more of our government finances to social security payments rather than to sustaining and building our common wealth. Our governments exhibit a dogmatic hostility to the public sector, and are increasing their regulatory, taxation and other powers to extend privilege to interest groups rather than attending to the public interest. We are passing from an era of doctrinaire privatization to an era of crony capitalism.

This situation has its roots in a failure of public policy and political leadership.

#### **Values in public policy**

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Public policy should be built on consistent principles underpinned by coherent values.

But rather than offering choices between competing public ideas, election campaigns have become popularity contests similar to corporate marketing campaigns. They are devoid of any long-term policy commitment or political vision.

Political parties, particularly the mainstream parties, need to engage with the community in terms of values and principles, rather than patronising election-time gimmicks. Our values determine our common culture, our collective identity, our sense of belonging, and our norms of trust and respect.

In recent times there has been a great deal of talk about “values”, but there has been little attempt to translate this rhetoric into practical statements of public policy. Australian values can be expressed in terms of *freedom, citizenship, ethical responsibility, fairness and stewardship*, and these can act as a practical guide to resource allocation.

These values should pervade public policy, under the two broad headings of ‘renewing democracy’ and ‘rebuilding the nation’.

## **Renewing Australian democracy**

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### *Freedom*

All have rights to the extent that they do not lessen the rights of others. If we compromise our freedoms because of fear of “terrorists” or other demons, we surrender to those very groups whose power we fear.

### *Citizenship*

The individual lives in a network of relationships. Some would suggest there is no need for any concept of “society” – that we exist as individuals linked only by market transactions. There need be no conflict between the individual and society, however. Our life in the public sphere is no less necessary for our fulfilment than our life in the private sphere. The public sphere includes, but is not confined to the public sector; it is where we live as citizens rather than as individuals.

### *Ethical responsibility*

Public office carries responsibility for the community’s assets – our common wealth – and is exercised in positions of prominence. It therefore carries a duty of ethical behaviour.

### *Manifestation of these values*

The value we place on freedom, citizenship and ethical responsibility determines the robustness of our democracy. We need to restore the integrity and independence of our institutions and to ensure we use the power of law to protect our basic freedoms. We also need to restore the dignity of public service.

In this regard, there are two main areas requiring reform, one relating to public institutions, particularly parliament and the media, and the other to individuals.

We need electoral reform to embed the sovereignty of Parliament and to reduce opportunities for manipulative practices by incumbent governments. We need confidence in all our public institutions, particularly the Public Service which has become highly politicized.

No democracy can be sustained without diverse and dissenting voices throughout the community. People must not fear retribution for criticizing governments and the government must encourage media diversity through lowering the entry barriers for new players.

Individuals need protection of their basic rights. Australia stands out in not having constitutionally or legislated protected rights. We have seen an encroachment on those rights we have tended to take for granted. As a first step we need a bill of rights.

We must quell the stirrings of xenophobia and jingoistic nationalism. One of our greatest assets is our cultural diversity. A culturally diverse society can be held together by shared values.

## **Rebuilding the Australian nation**

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### *Fairness*

Governments should promote equality of opportunity. Unless people believe they will justly share the rewards of their effort, they will not contribute to their full ability, and it is nonsense to celebrate economic progress while disregarding the distribution of the fruits of that progress. While enlightened self-interest may contribute to economic progress, a culture of meanness is economically destructive.

### *Stewardship*

We have inherited a bountiful stock of assets – our common wealth. Much of our new prosperity is based on spending down that capital and on incurring future liabilities. We need to re-build our capital stock, in all its dimensions.

### *Manifestation of these values*

Economic activity is meaningless unless it contributes to social ends. Economic activity includes a broad range of behaviours; we need to take into account all that is easily measured in national accounts and all that is more difficult to measure, such as the value of household work, artistic and sporting endeavours, of caring for others, of preserving our natural assets and many other activities. We need to ensure people have no impediments to contributing to and enjoying their rewards from society.

## **Sustaining our common wealth**

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Government is the custodian of our common wealth, and has a duty to sustain it. Neither “big government” nor “small government” provides a neat answer. There are areas where government has neglected the common good, and many others where it has over-extended its reach.

Whether wise or neglectful, the influence of government over our social and material wellbeing is undeniable. This influence should be exercised responsibly to build and sustain the assets we hold in common.