

Principles to Drive Policies and Programs, or What does Labor stand for?

1. Labor's constituency

The Labor primary vote has declined from about 45-50% fifty years ago to 35-40% today. The Coalition vote is virtually unchanged. Labor has lost its clear identity with the 'working class' and what it stands for. Its natural constituency and membership has declined. To contain the loss, Labor has increasingly committed itself to focus groups, marginal seat strategies and 'whatever it takes'. Values, principles and ideas have given way to marketing of products. Money has replaced membership as the driving force of campaigns. The trade unions remain the most important institutional Labor supporter but trade union influence is out of proportion to its role in the community and the 'Labor constituency'.

2. Principles as the basis for policy

If Labor is to differentiate itself from conservative parties, it needs to express that difference in a clear set of principles which accord with the best of Australians' values. Otherwise the political contest is reduced to satisfying short-term materialist 'aspirations', appeasing vested interests and managing the media cycle. In such a contest, Labor is engaged in a futile struggle, for the Coalition is adept at conveying the misleading impression that it is the 'natural party of government', particularly because of its supposed competence in economic management.

From community values a set of principles of public policy can be developed – principles which define Labor in contrast to other parties. Those principles can underpin a coherent set of policies and programs which implement those policies.

Values > principles > policies > programs.

Moving to the 'right' on issues such as refugee policy and health care simply legitimises the conservative position – a position from where exploitation of people's fear is likely to drive out sensible and reasonable political debate. Selectively compromising – a little socialism here, a little free market there – as was the strategy of Britain's New Labour - only confuses Labor supporters and the electorate because it presents inconsistent values.

Social democrat parties, including Labor, were founded on an optimistic view of human nature and on recognition of the public sphere where people realise their full capabilities. These ideas can be expressed in consistent and coherent principles such as stewardship, the common wealth, including enhancement of social, environmental and institutional capital and protection of natural resources.

In his emphasis on the 'social question', John Curtin gave effect to these principles, acknowledging that only a strong society, including a strong and respected government, can support a strong economy. And of course there is no point in an economy that does not

serve social ends.

3. **Curtin's vision – 'the social question'**

Curtin's social democratic vision contrasts sharply with the Liberal Party platform 'that only businesses and individuals are the creators of wealth and employment', a view that reduces government to a burden rather than a contributor to the common wealth. Curtin's vision contrasts with the notion that 'a rising tide lifts all boats', which legitimises destructive social divisions, which encourages people to separate themselves from society in physical or metaphorical gated communities (private schools, private health insurance), which allows the connection between contribution and reward to be severed, which encourages rent-seeking, speculation and protection of privilege rather than productive investment and which compensates the 'losers' with social security handouts.

4. **Labor – the Party of strong leadership and values**

Just as Labor governments provided leadership to face greater challenges in the 1980s, so too today Australia faces even greater challenges – climate change, population ageing, dilapidated infrastructure, commodity based exports, deficits in human capital and a weak base for public revenue. The politics of 'what's in it for me' discourages us from facing these challenges, for there will have to be trade-offs: some will have to pay more than others and some will have to forego benefits now for the sake of longer term benefits. Such transitions can be painful, but are more likely to gain support when people understand the principles underpinning public policy.

When the Party is unified around a set of principles it can still have a robust debate about how to give effect to those principles. But it would be in control of its message because its parliamentary representatives can engage with the electorate in a consistent and sincere voice, with less reliance on 'talking points' and spin and with less concern with the immediate reaction of focus groups. Labor supporters would be much more prepared to accept political compromise if they know that there is strong leadership and there is broad agreement on key values and principles. Labor leadership has to be patient and consistent around these values and principles – and never go backwards. Authenticity and sincerity are then easily recognised.

5. **Democratic Renewal**

At the same time as addressing overarching 'Labor' principles that could guide Labor policies and programs, there are two immediate issues which must be given high priority.

The first is democratic renewal in our public institutions, including the ALP. We are increasingly alienated from our institutions. This suits the conservatives who implicitly seek to protect private corporate interests from public intervention. Loss of faith in parliament inevitably leads on to denigration and a loss of faith in government. Those that Labor has traditionally represented and the wider community are the losers. The Coalition has deliberately set out to destroy faith in our public institutions, public policy and politics. The government is 'corrupt'. It is 'illegitimate'. Mayhem is promoted in the parliament. The signs of democratic decay and lack of respect for politicians are everywhere. For example:

- a. Through domination of parliament, executive governments monopolise information flows and policy advice. Policy advice is increasingly given by ministerial advisers while the public service is co-opted into providing political support to government.
- b. Governments are overly-influenced by powerful lobby groups and donors, e.g. miners, developers, licensed clubs and hotels
- c. The health 'debate' is not with the public, but between insiders – the Minister and the AMA/pharmacists/private health insurance companies.
- d. Because Labor does not have a consistent principle-based set of policies – some would say a 'narrative' – it has little capacity for defence or explanation when its policies are misrepresented or misinterpreted in the media.
- e. Labor is no longer representative of those that vote for it or have empathy with it.

The concentrated media does not properly expose abuse of power and directly skews the public debate towards personalities, the whims of proprietors, conflict and celebrities, rather than serious policies. We had an enquiry about the failure of our intelligence agencies over Iraq, but the greater failure was in the media.

Democratic renewal is urgent – reform of the parliament, political parties, party factions, lobbyists, donors and the media.

6. **The economic role of government**

The second immediate issue is the economic role of government. Those who would benefit from weak and distrusted government have undermined the legitimacy of the public sector. Australians have been encouraged to forget that their prosperity is based on both public and private goods. To many people government has become 'invisible', except as a vehicle for distributive welfare. Australians have lost sight of the contribution of the mixed economy, not only in providing public goods, but also in ensuring that the forces of greed and short-sightedness don't lead to economic and social collapse. It is noteworthy that despite the continued denigration of government and the public sector, the three most trusted institutions in Australia are public institutions – the High Court, the ABC and the Reserve Bank. In this survey by Essential Research (22.10.2012) there was not a private group in the top eight most trusted groups and institutions in Australia. The three least trusted groups were business, trade unions and political parties.

Even conservatives acknowledge that only the public sector can provide some services such as national defence and management of the money supply. In addition, however there are economic functions where private funding or provision is possible but only at high economic cost, with distorted incentives and with serious consequences for equity. These include education, health insurance, energy and water utilities and communication and transport infrastructure. In these and other areas there are market failures for which prudent economic principles require a strong government role in funding or provision. Unless Labor articulates and defends the proper economic role of government – a pre-requisite to improving Australia's weak taxation base – economic growth will be restrained by inadequate public spending and investment.

Of these investments, the most important is human capital to ensure that people can

develop their capabilities so that they can contribute to their full potential through employment, business or unpaid work. In the competitive global economy of this century, human capital is a nation's only secure asset. Scandinavian countries demonstrate this. A population with skills and with incentives which match rewards to contribution will draw less on distributive welfare, preserving public revenue for needed social insurance and public goods. The best antidote to disadvantage and low self esteem is not welfare but well paid and meaningful employment.

Labor will find it hard to make these investments if it allows itself to be depicted as the party of big welfare spending. In fact conservative governments, because of under-investment in human capital and physical infrastructure, and neglect of economic adjustment, have spent strongly on distributive welfare to compensate for inequalities rising from a weakened economic structure. Over the last 50 years, social security assistance has risen from 5% of Australians' household disposable income to 12%. Examples of this expanded social security assistance are baby-bonuses, family allowances and superannuation concessions for the wealthy. The government is moving to wind back some middle class welfare - subsidies to private health insurance and the second baby bonus - but the justification is more about immediate budgetary management rather than an expression of principles. Rather, Labor should be the party which ensures that Australia becomes less reliant on distributive welfare. Instead of referring to 'the education revolution' in isolation, it should present its human capital policies in the context of a unified set of principles in infrastructure, education, health, environmental and protection, underpinned by principles of investing in capabilities, nurturing individual freedom and autonomy and supporting social inclusion.

There is an opportunity to differentiate Labor from what has emerged as continuity between Howard and Abbott in that both are strong on distributive welfare while ready to sacrifice other aspects of government which would strengthen the economy's capacity to provide well-paid and productive employment with less need for social transfers.

A reframing of policy in terms of strengthening the economy in order to reduce the need for distributive welfare would not only neutralise the 'right's' attack on Labor as the party of the welfare state but would also give a unifying theme to many policies. It would link policies in industry adjustment, infrastructure, education, health and social inclusion. It would overcome the false framing of a trade-off between equity and efficiency. It would give Labor parliamentarians an opportunity to engage more openly with the public without the need for spin and carefully prepared texts.

7. **From values to principles**

The purpose and role of a Labor Government could be to give expression to the values set out below – to achieve as far as possible the 'common good'.

Values such as freedom, citizenship, ethical responsibility, fairness and stewardship would be generally accepted by most people. As the values are translated into practices Labor makes a choice that can be further defined as principles that then lead to policies, e.g. the value of fairness can be expressed in the principle of a stronger link between contribution

and reward- a link which has become severed by hugely disproportionate executive pay, high returns to rent seekers and financial speculators and the long head-start of inherited wealth.

The following is indicative of a set of values and their expressions in principles which could underpin a Labor platform/policy statement.

Fairness/equity

- a. A 'fair go' is primarily about economic opportunity.
- b. People should be provided with a good education and those who put it to socially useful ends should be rewarded. Governor Lachlan Macquarie was no socialist but his 'tickets of leave' gave the outcasts and underprivileged of this country another chance. We built a nation from the underclass. We must give a chance for newcomers and all people to have another opportunity.
- c. Fairness promotes social mobility and limits division and resentment.
- d. Fairness should not be restricted to education.
- e. The path to prosperity with fairness is through productivity and well-paid employment rather than government handouts. The Scandinavians have demonstrated that education and incentives for participation do produce fairness and economic prosperity.
- f. Fairness implies that we are tough towards 'bludgers', whether they be tax-dodgers, the vulgarity and indulgence of those with inherited wealth, protection from competition, government hand-outs and favouritism or cheating on social services.
- g. Fairness implies full employment as a macro-economic goal to ensure human capabilities are not wasted.

Areas where we fall short in fairness include neglect of early childhood education, treatment of the needs of indigenous people and refugees, diversion of education funding to wealthy schools, neglect of public infrastructure and inadequate ODA.

Stewardship

- a. We have inherited a stock of assets or capital; environmental (forests/water), public and private physical capital (roads/ports), human capital (education), family capital (family and friendship bonds), social capital (trust), cultural capital and institutional capital (government and non-government institutions). That stock of assets must be retained and where possible enhanced.
- b. We must use our resources as efficiently and productively as possible.

Areas where we fall short in stewardship include placing a heavy strain on the planet which prejudices our future. Despite the overwhelming scientific evidence on climate change we are still influenced by the sceptics who ignore the facts and cling instead to ideology. Many super funds and fund managers ignore climate change risk. We waste water and degrade the land. We are not skilling ourselves for Asia.

Freedom

- a. We all have rights to the extent that they do not lessen the rights of others.
- b. Except where the rights of the vulnerable are at stake, the government should not intrude into the private realm.
- c. The potential abuse of power should be minimized by the separation of powers and the separation of church and state.

Areas where we fall short in freedom include the growing power of cabinet and executive which is not adequately balanced by parliament and the judiciary. We have an 'elected monarchy'. We have no Human Rights Act. We have reduced freedom as a result of counter-terrorism legislation. The media increasingly fails to protect our freedoms and often facilitates abuse of power by lobbyists e.g. miners.

Citizenship

- a. We are more than individuals linked by market transactions.
- b. Our life in the public sphere is no less necessary than our private lives. As citizens we enjoy and contribute to the public good. It is where we show and learn respect for others, particularly people who are different. It is where we abide by shared rules of civic conduct. It is where we build social capital – networks of trust. We need to behave in ways that make each of us trusted members of the community. 'Do no harm' is not sufficient.
- c. Citizenship brings responsibilities – political participation, vigilance against abuse of power and paying taxes.

Areas where we fall short in citizenship include our withdrawal into the private realm – There are growing gated communities, private entertainment, private rather than public transport, disregard of neighbours, opting out of community through 'vouchers', government subsidies, private health insurance and private schools that discourage the coalescence of socially mixed communities around shared public schools.. The discussion about health is reduced to managing the system rather than the principles which should drive a health service. There is a lack of respect in the language of denigration – 'bogans' and 'losers'.

Ethical responsibility

- a. Those in prominent office should promote those qualities which draw on the best of our traditions and the noblest of our instincts.
- b. The duty of those with public influence is to encourage hope and redemption rather than despair and condemnation, confidence rather than fear. It is to promote the common good – to encourage us to use our talents. It is to respect truth and strengthen learning to withstand the powers of populism and vested or sectional interests. This would set a tone of public discourse which nurtures public institutions

Areas where we fall short in ethical responsibility include leaders who appeal to our worst instincts, e.g. dog whistling on refugees, 'media-drenched commercialism', executive salaries, undue influence of vested interests and corporate lobbyists. Those in public office

should help the community to deal with difficult problems which may require painful adaptive change, such as climate change, rather than provide the false comfort of ignoring or downplaying them.

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