

# How we could revive faith in democracy

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**How much is our disillusionment with politicians, governments and even democracy the result of our polities' 30-year love affair with that newly recognised mega-evil "neoliberalism"?**



*Illustration: Dionne Gain*

To a considerable extent, according to Dr Richard Denniss, of the Australia Institute, in the latest Quarterly Essay, *Dead Right*.

I'm not sure I'm fully convinced by his argument, but it's a thought-provoking thesis that's worth exploring.

Like "globalisation" in the 1990s, neoliberalism has become the all-purpose political swearword of the 2010s. Anything economic that you don't approve of can be condemned as neoliberalism.

But Denniss provides some more specific attributes. "The intellectual core of neoliberalism is the idea that the profit motive of companies, combined with consumers' ability to choose the product that suits them best, will result in the best possible social and economic outcomes," he says.

Implicit in this is the belief that government intervention in markets is always suspect and should be reduced to a minimum, just as taxation is an onerous “burden” which must be reduced if we are to prosper.

Dennis argues that neoliberalism hasn’t just involved much deregulation, privatisation, outsourcing of government services and cuts in government spending, it’s also changed our culture – the way we think about politics and political issues.



*Illustration: Andrew Dyson*

Its focus on the individual has sanctified selfishness, releasing people from the restraints of solidarity with the rest of the community and legitimating the lobbying mentality. We’re all free to press our own interests on the government, and if that means I extract more than you do, that just proves I worked harder than you.

But the greatest cultural change, according to Dennis, is the belief that economic issues outweigh all other considerations. “The trick of neoliberalism was to convince the public that it is the economic dimension of big issues that we must focus on,” he says.

“Past generations . . . did not see the need to delay all significant debates about the shape and direction of their society until tax and industrial relations policies were optimised according to specific principles understood by a tiny proportion of the population.”

Dennis says we no longer talk about the inherent value of educating our children, but of the increase in skills and productivity that their education will bring to the economy. A big part of this is the obsession with maximising the growth of the economy – or, in Malcolm Turnbull’s more enticing packaging, Jobs and Growth.

“After 27 years of continuous economic growth, it is inconceivable that the thing Australia needs most is to ‘grow our economy’ some more.

“What we really need is to rebuild trust in our institutions and confidence in our country. We need to debate far more specific and important national goals, and then show ourselves that when we work together we can make things better. We have done it before and other countries are doing it right now.”

What if Australian parliaments stopped trying to fix the industrial relations system or the tax system for a few years, and focused instead on things that Australians really care about?

“For 30 years Australians have been told that what is good for gross domestic product is good for the economy, and hence for the country. But that is like saying that the more money a family earns, the happier the children will be.

“It is the shape of our economy that determines our wellbeing, not its size. Spending \$1 billion subsidising the Adani coalmine will create economic activity [and jobs], but so will spending that money promoting Australian tourism or improving Sydney’s public transport.

“The important question isn’t whether a project will ‘create activity’, but whether a project will make Australia a better place or not.”

Like waiters in a restaurant, says Dennis, politicians and bureaucrats are not there to tell us what we must order, but to show us the menu and explain the specials.

So, one of his proposals is to replace the Productivity Commission with a national interest commission, to provide both governments and the public with broad advice on the advantages (as opposed to benefits) and disadvantages (as opposed to costs) that, say, a major project or a universal basic income, might entail.

The opposite of the narrow economic agenda of neoliberalism isn’t a progressive economic reform agenda, Dennis says, it’s the re-establishment of a broad debate about the national interest.

“After 30 years of hearing that politicians, government and taxes are the things that ruin the economy, it is time for the public to hear and see that politicians, government and taxes are the foundations on which prosperous democratic nations are built.”

There are dozens of popular things that state and federal governments could get on with that would make Australians happy, make Australia a nicer place to live and, most importantly, show the Australian public that the decisions made by parliament do make a difference.

Such as? “Bans on political donations, the establishment of strong anti-corruption watchdogs, reform to parliamentary entitlements, higher taxes on annual incomes over \$1

million, closing loopholes that allow companies to pay billions in dividends and nothing in tax, legalising marijuana, banning poker machines, and preserving all existing parks from property development.”

The world is full of alternatives and choices, Denniss concludes. “Neoliberalism’s real power came from convincing us that we had none. We do, and making them is the democratic role of citizens – not the technocratic role of economists, nor that of any self-serving elite.”

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