
THE AUSTRALIA INSTITUTE

Speech at the launch of the Wellbeing Manifesto

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Let me begin with some background to the thinking that led to the development of the Wellbeing Manifesto that we are launching today.

Over the last two or three decades, the neoliberal revolution – which in Australia we call economic rationalism – has swept all before it around the world. There is no serious political opposition or alternative to the arguments of those who support the single-minded pursuit of more economic growth and the spread of free markets everywhere.

The process of so-called economic reform – including the wave of privatizations, labour market deregulation and competition policy - has undoubtedly increased the rate of economic growth, although at considerable cost to social cohesion and at the expense of some of those least able to protect themselves.

The economy has been booming since the early 1990s and most Australians have become prosperous as never before. Average incomes exceed \$50,000, sums that would have seemed grand to our parents or grandparents in the 1950s. Not everyone has been blessed by this prosperity but the great majority has been.

So on its own terms, neoliberalism has been highly successful. But around the world, a few brave voices have begun to ask a subversive question: if we are so rich why are we no happier? There is evidence of a widespread social malaise in rich countries, reflected in the prevalence of psychological disorders. Many people believe that the preoccupation with money has been responsible for a decline in public and private morality, and there is a widespread feeling that there is something empty about the consumer life. In other words, has the transformation of our society come at too high a price, or indeed been directed at the wrong goal? Was it all a mistake?

The Australia Institute began asking these questions around six years ago, first with a study undertaken for us by Richard Eckersley which concluded that most Australians do not believe life is getting better. When asked to reflect on what would make for a better life, few people rank more money high on the list of priorities.

We also started to ask why governments and commentators are so preoccupied with GDP, gross domestic product, as a measure of how we are progressing as a nation. Why do we assume that the annual increase in the value of marketed goods and services has any bearing on the nation's state of wellbeing?

So we constructed an alternative to GDP which takes account of how increases in national income are distributed. It also accounts for some of the costs of the growth process, including the effect on the environment, the costs of commuting and the costs of crime. We also added in the benefits we derive from the vast amounts of unpaid work that Australians perform in the household and in the community.

The alternative index, known as the Genuine Progress Indicator, showed that while GDP continued to rise through the decades, from around the mid-1970s this better measure of national progress stopped rising and began to fall.

In addition to this work, in the 1990s psychologists began exploring in detail the relationship between higher incomes and happiness. They found that, above a certain threshold - one passed by the great majority in rich countries like Australia - more money would make virtually no difference to perceived life satisfaction. More alarmingly, they found that the more materialistic people become the less happy they are, the higher the likelihood that they suffer from psychological disorders and the poorer is the quality of their personal relationships.

Think tanks and researchers in other countries began to notice these things too. In the USA, organizations such as Redefining Progress and the Center for the New American Dream began asking awkward questions about the benefits of our obsession with economic growth and higher incomes.

In the United Kingdom, the New Economics Foundation also published a Genuine Progress Indicator. Its work led last year to the publication of a manifesto for wellbeing. We at The Australia Institute were so impressed that we set about writing a wellbeing manifesto suited to Australia.

One thing that the think tanks I have mentioned have in common is that they are not aligned to any political party, a fact that gives them the freedom to think more radically and to go beyond the traditional preoccupations of both conservative and social democratic or labour parties. After all, the established parties of left and right have all committed themselves to neo-liberalism and the free-market as the keys to further social progress.

For much of history it was understandable that humans wanted above all to be free of the daily compulsion to provide for their material needs, and they dreamt of the lives they could lead once so liberated. But now that most people in rich countries are affluent, the economy has become more rather than less important, and we are in the grip of money-hunger as never before. Instead of being liberated by the enormous productive gains we have achieved, it seems that we have allowed ourselves to become enslaved. In sharp contrast to the promised freedom to choose our own destinies, our materialism makes us ever-more dependent on others for our personal identity and sense of self-worth.

The new wellbeing agenda challenges the traditional parties equally because it says that, for all of the economic benefits of free markets, in the end we cannot find true happiness in a shopping centre. The new wellbeing agenda side-steps the traditional left-right debate over who can best manage the economy, and says that in rich countries the answers to social progress cannot be found in the market. In short, it's not the economy, stupid.

The Wellbeing Manifesto that we are launching this evening breaks the link between the economy and our individual and social wellbeing. It thereby challenges the dominance of economics and finance in the political life of Australia. It calls for a reorientation of politics so that we focus on the things that truly can improve our wellbeing. It dares governments and political parties to break the spell cast by the quarterly national accounts and GDP and to commit themselves instead to improving gross domestic happiness.

This is the background to the development of the Wellbeing Manifesto. It represents a sharp break with the traditional preoccupations of political programs, and I think it is the freshness of the approach that has been in part responsible for the extraordinarily enthusiastic reception with which it has been met, even before the Manifesto has received any attention in the mainstream media.

It's obvious how the Wellbeing Manifesto diverges from the growth fetishism of the conservative parties. But some associated with the Labor Party, especially on the left, have asked why the Manifesto does not devote more attention to the most disadvantaged in our society. Of course, the circumstances of the poor and dispossessed are crucial to the wellbeing of any society. But we believe that the constant focus on the conditions of those who have not enjoyed the benefits of affluence is counter-productive.

It must be admitted that after three decades of neoliberalism, and especially the last decade of conservatism, which has seen an unprecedented increase in individualism and preoccupation with self by most voters, the traditional empathy of many Australians for the misfortunes of the genuine battlers has dissipated.

In other words, we do not lack the ability to solve poverty in Australia, we lack the willingness. And the unrelenting emphasis on the economy has only made the bulk of voters more preoccupied with their own circumstances. As we become richer we have become more inclined to blame the victims for their own adversity and less willing to help them out. We will not solve the problem of poverty until we solve the problem of affluence.

Some supporters, or potential supporters, of the Wellbeing Manifesto have also asked why it contains no reference to that other great domain of progressive politics, the defense of human rights. Great strides have been made since the 1960s in entrenching the protection of minority rights. But while constant vigilance is required to protect those gains, we do not believe that a new politics can be built on the rights agenda. The Wellbeing Manifesto asks a different and daring question: while everyone should have the right to participate fully and equally in society, do we have a society in which everyone would want to participate? Should everyone have the right to shop til they drop?

The future envisaged by the Wellbeing Manifesto is one that applies to all Australians equally; it is not an appeal to allow minorities to enjoy the advantages enjoyed by the majority, but asks whether those advantages are really worthwhile. In other words, it challenges those in the mainstream to take a hard look at the society they have created.

It is more difficult to make this argument in the case of the rights of indigenous Australians, not only because their material circumstances remain a stain on the face of Australian society but because they occupy a special position as the original owners of this land. But while not in any way diminishing these claims, the Wellbeing Manifesto is a manifesto that applies equally to all, and calls on Australians to commit themselves to building a better society. I believe that the cultural and social shift underlying the Wellbeing Manifesto would make mainstream Australia much more prepared to acknowledge the special place and circumstances of Indigenous people.

I hope this gives you some insight into the development of the Wellbeing Manifesto, a task in which the Institute has benefited greatly from the contributions of Richard Eckersley and Richard Denniss and, of course, our colleagues at the New Economics Foundation in London from whom we have borrowed so much.

I am grateful to Carmen Lawrence and Tim Costello for lending the Manifesto the authority and integrity that their reputations carry, and for agreeing to contribute to this public launch.

I would also like to thank the David Morawetz Social Justice Fund for providing financial support for the development of the manifesto website, the printing of the brochures and the organization of today's event.

Since the Manifesto went online five weeks ago almost 3000 Australians have given it their personal endorsement. Watching the response come in has been gratifying and exciting for us, not least because of the wonderful variety of the supporters. If you look at the list of those who have signed up on the website you will see that it includes large numbers of students, retirees, teachers, academics, doctors, public servants, managers, NGO workers and people who describe themselves simply as 'mum' (or, in one case, Chief Domestic Officer).

We have also received endorsements from firemen, soldiers, artists and musicians, secretaries, counsellors, psychologists and life coaches, child care workers, a currency trader, an investment banker, a winemaker, a tailor and a circus trainer.

And so it is marvelous to see the diversity and enthusiasm of those who have turned up this evening to participate in the public launch of the Manifesto. The next stages are uncharted territory, and it will be up to you to decide whether it is worth taking up the Manifesto and using it to begin to transform Australia, to create a better society.

I believe that the time is ripe for such a change. Not far beneath the surface most Australians have a gnawing doubt about the value of a money-driven life. They know that their society is too materialistic, and that the money society is at the root of the decline in values.

By painting a picture of a new society, one that is less selfish and materialistic and more devoted to the things that really will make us happier and more fulfilled, the Wellbeing Manifesto can help us forge a new politics for the twenty first century.