

Eckersley, R. 2004, Both parties hooked on the growth fetish, Canberra Times, 21 September, p. 9.

Both parties hooked on the growth fetish

*Political thinking should be more about making health, not wealth, the primary indicator of progress in our society, argues **Richard Eckersley**.*

In the recent 'Great Debate', the Prime Minister, John Howard, made much of his Government's economic record, claiming repeatedly that a strong, growing economy was critical to Australia's future. While the Leader of the Opposition, Mark Latham, placed less emphasis on the economy and more on social investment, he, too, has emphasised the fundamental importance of the economy.

The view reflects the over-riding priority Australian governments give to economic growth in public policy. This position is regarded as a 'policy constant' that is largely beyond scrutiny or debate. At a World Economic Forum dinner in Melbourne in 1998, Howard said: 'The overriding aim of our agenda is to deliver Australia an annual growth rate of over four per cent on average during the decade to 2010.' Paul Keating, in his day, also used four-per-cent growth as a benchmark by which to judge a Government's performance.

The primacy of growth is at the heart of the concept of material progress, which regards economic growth as paramount because it creates the wealth to increase personal freedoms and opportunities and to address social and environmental problems such as unemployment, poverty, crime, pollution, land degradation and global warming. In public policy terms, economic growth means more revenue, bigger budget surpluses, and so more money to spend on more or bigger programs. This process drives the 'bidding war' that is the Federal election campaign.

As Howard said in his 'Getting the big things right' speech in July: 'If we can sustain our overall growth rates...we will be a \$1 trillion economy in around seven years time [compared to more than ten years at previous rates]...By 2015, the difference in national income would be about \$135 billion a year in today's dollars. That's a difference of an extra \$12 billion a year for health and more than \$8 billion for education at current spending patterns...'

The argument seems sound (look at what happens in recessions); yet it is deeply flawed. The approach effectively treats growth processes as, at worst, socially and environmentally neutral. But if, in creating wealth, we do more damage to the fabric of society and the state of the natural environment than we can repair with the extra wealth, it means we are going backwards in terms of quality of life, even while we grow richer.

Furthermore, it is doubtful that we can ever totally compensate for the costs of growth in this way. The costs are not just material or structural – social inequality, less secure work or environmental degradation, for example – but also cultural or ethical. In other words,

material progress depends on the pursuit of material self-interest that, morally, cannot be quarantined from other areas of our personal and social lives.

While the costs of material progress are not yet obvious in aggregate measures of population health and happiness, they are revealed in the trends in young people's wellbeing (for example, suicide, depression and drug abuse) and in public attitude surveys that reveal widespread disquiet about quality of life. And when we look at the causes and correlates of wellbeing, the evidence is also compelling that focusing on the material and the individual - and especially on both together - produces an existential emptiness that distresses and disturbs us.

While government policy gives priority to the rate of economic growth, it leaves the content of growth largely to individuals, whose personal consumption makes the largest contribution to growth. This ever-increasing consumption is not just a matter of freedom of choice; it is culturally 'manufactured' by a massive and growing media-marketing complex. Big business in the United States spends over a US\$1000 billion a year on marketing – about twice what Americans spend annually on education, public and private, from kindergarten through graduate school.

This spending includes 'macromarketing', the management of the social environment, particularly public policy, to suit the interests of business. This conjunction of government policy and corporate practice is distorting personal and social preferences, a situation that amounts to cultural fraud: the promotion of images and ideals that serve the economy but do not meet human psychological needs, nor reflect social realities.

So the core issue is not a question of being pro-growth or anti-growth, but of seeing that growth itself is not the main game. As Vinod Thomas, a World Bank vice-president and lead author of its 2000 report, *Quality of Growth*, remarked at its launch: 'Just as the quality of people's diet, and not just the quantity of food they eat, influences their health and life expectancy, the way in which growth is generated and distributed has profound implications for people and their quality of life'.

For these reasons, material progress is increasingly being challenged by a new view of the world based on sustainable development. Sustainable development does not accord economic growth 'overriding' priority. Instead, it seeks a better balance and integration of social, environmental and economic goals and objectives to produce a high, equitable and durable quality of life.

We can also characterise the change as replacing the outdated industrial metaphor of progress as a pipeline – pump more wealth in one end and more wellbeing flows out the other - with an ecological metaphor of progress as an evolving ecosystem such as a rainforest – reflecting the reality that the processes that drive social systems are complex, dynamic, diffuse and non-linear.

Our growing understanding of the social basis of health and wellbeing can make an important contribution to working towards sustainability. It provides a means of

integrating different priorities by allowing them to be measured against a common goal or benchmark – improving human health and wellbeing. While health is not the only consideration here, it is critical to achieving a real political commitment to sustainable development.

Traditionally, the key challenge of sustainable development has been seen as reconciling the requirements of the economy – growth – with the requirements of the environment – sustainability. Making health, not wealth, the bottom line of progress gets around this dilemma and takes us deeper into questions of quality of life: how well a society provides the social, economic, cultural and environmental conditions that are conducive to total wellbeing – physical, mental, social, spiritual.

This new thinking is impacting on mainstream political thinking to the extent that the major parties are - in response to public pressure - increasingly acknowledging in their rhetoric and spending priorities the importance of investing in health, education and the environment. Howard stresses the ‘human dividend’ from greater wealth, Latham the need to make better use of wealth, to ‘give it a stronger social purpose’. But we have a long way to go.

We stand at one of those times in history when we are experiencing parallel processes of cultural decay and renewal, a titanic contest as old ways of thinking about ourselves fail, and new ways of being human strive for definition and acceptance.

In essence, this struggle involves a shift away from the current worldview framed by material progress and based on self-interested, competitive individualism, which has created a ‘shallow’ democracy (for example, voting every few years for whoever promises the biggest tax cuts), reduced social cohesion, weakened families and communities, and so diminished quality of life and wellbeing.

Replacing this construction is a new worldview framed by sustainable development and based on altruistic, cooperative individualism, which will give rise to a ‘deep’ democracy (embodied in all aspects of our lives), greater social cohesion, strong communities and families, and so heightened quality of life and wellbeing.

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Note: published version contains minor editorial differences.