

Why the Church Must be Vitally Concerned with Issues of Public Policy

by Bruce Duncan •

Critics of the churches often want to confine their work to practical hands-on direct service, in education, health care or social services especially. But if church personnel or agencies raise inconvenient questions about why people are in economic or other distress, and begin publicly to challenge social policies, some of these critics cry foul, and denounce such questioning as the churches interfering illegitimately in politics.

Needless to say, these objections are often themselves politically motivated. Few political groups resent plaudits from church groups, but sometimes bitterly reject criticism, demanding that the churches confine themselves to the sacristy and vacate the public forum.

For its part, the Catholic Church aims as far as possible to be non-partisan in its political alignment. Governments come and go, and the Church has to interact cooperatively with whatever political party is in power. Moreover, the Church knows full well that its own constituency includes people of all political persuasions and they have a right to their own conscientious views on social and political issues.

Nevertheless the Church recognises its duty to contribute to the public conversation, particularly to clarify the moral issues underlying public policy, even if the voices of Church groups are contested. Recent examples of the Church exercising such a duty would be its defence of human life, its opposition to the invasion of Iraq, its continued concern about social equity in industrial relations, its opposition to inhumane treatment of asylum seekers, and its advocacy for action to tackle global warming.

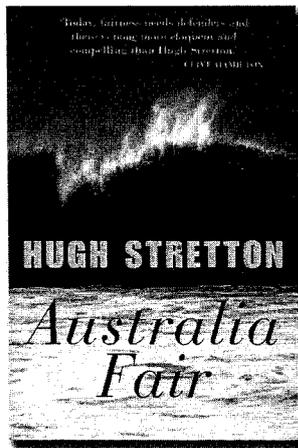
The Church has a major role to play in shaping the social conscience in our communities and is obliged to speak the truth no matter how inconvenient politically, and even at some cost to itself. Much depends on how one speaks, with courtesy and respect for

the advocates of opposing views, but nevertheless strongly if need be, and on the basis of sound research and reasoning.

The Church and its agencies do not claim any monopoly on truth or wisdom, of course, and must become informed on specific issues, especially by listening carefully to practitioners and expert opinion, and taking part in the public discourse about social policy.

Two recent books will likely be of considerable interest to people concerned about social equity in Australia. The first is by Hugh Stretton, with the felicitous title, *Australia Fair*. The second is by Professor Peter Saunders of the University of New South Wales, *The Poverty Wars* (both UNSW Press, 2005).

Stretton's *Australia Fair*



Currently visiting research fellow in economics at the University of Adelaide, Stretton is one of Australia's most eminent social commentators with many significant publications. *Australia Fair* advances and summarises his critique of neoliberal philosophy as it has been driving so-called 'reforms' under recent Australian governments. More detail can be found in his *Economics: a New Introduction* (2000) and, with Lionel Orchard, *Public Goods, Public Enterprise, Public Choice: Theoretical*

Foundations of the Contemporary Attack on Government (1994).

His views will be of particular interest to Catholic readers, since he is highlighting the influence of the neoliberal philosophy behind recent policy changes. This is the same philosophy that the Church has long opposed and sought to expose in its social engagement over the past century, especially as espoused by Pope John Paul II.

Part of the success of neoliberal philosophy depends on the fact that our Anglo-Saxon culture tends not to think philosophically, and hence much of the influence of neoliberalism goes unchallenged, almost unnoticed. Yet as many Church documents point out, this neoliberal philosophy, with its assumptions about continuous economic growth, competitive individualism and its belief in the market as almost automatically the best means to allocate resources, is driving some deeply troubling aspects of globalisation, undermining mechanisms of social equity and threatening a disaster with global warming.

Of course, Stretton is not approaching his critique from the point of view of Catholic social philosophy, but as a social scientist with a lifetime of specialised experience behind him.

Australia Fair offers an alternative vision of how a renewed stress on social equity and decent life opportunities for all Australians can be possible. It is strongly critical of policies that have resulted in increasing hardship for millions of Australians, and particularly for the high levels of unemployment over recent decades.

Stretton argues that the neoliberal policies driving current government policies are not inevitable, but the result of political decisions that favour certain groups. He is also critical of the results of privatisation and financial deregulation, and of the burgeoning overseas debt.

Other OECD countries have very different policies that give greater value to social equity, resulting in much better social outcomes. In his view, the 'mostly bipartisan' consensus on key social policies from the Menzies years resulted in full employment,

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rising home ownership, low real interest rates, balanced trade and payments, and negligible foreign debt.

He sketches what alternative policies could be developed, and argues for significantly increased spending to reduce unemployment, rebuild infrastructure, improve education and health care, reverse the redistribution of wealth to the more affluent sections of the community, and for governments to fund and increase the supply of low-income housing, as had worked so successfully in South Australia.

Because of his 20 years on the board of the South Australian Housing Trust, Stretton is particularly critical of the recent housing bubble that has greatly inflated housing costs, and hence the pressures on people to increase earnings to pay for housing. Government investment policies, the defunding of State housing, negative gearing and speculative investors have pushed younger and lower-income groups out of the housing market. This will later have severe consequences for the financial security of those who have not been able to buy their own homes.

Stretton is alarmed about the degrading of quality of the nation's universities, with excessive teaching loads on staff and the commercialisation of many courses. In his view, the university can hardly perform its role as a social conscience if it is expected to act as an arm of government. He urges that an independent universities commission be re-established to decide on how money allocated to universities is spent.

The privatisation of superannuation funds has also been a disaster, according to Stretton, 'allowed by slovenly government and concealed by artful private accounting and publicity'. Fund managers not uncommonly take up to 2 per cent per year as a fee, meaning they will take about a third of a person's contributions.

Fully cognizant of the looming environmental emergency, Stretton argues strongly that we must learn to live with less material affluence. He notes that some European countries are aiming to reduce their 'material disturbance per head by 90 per cent'. 'The prevailing scientific advice that is *not* financed by oil and coal

producers is pleading for a 60 per cent reduction of emissions, rather than the Kyoto target of 5.2 per cent below the 1990 emissions.'

Stretton argues that deregulation of financial markets has dangerously exposed the Australian economy to speculation and ballooning deficits. The spread of this market ideology has 'allowed financial institutions to switch resources out of housing, out of industry, out of Australia, to serve owners' profit before Australian jobs or productivity.'

Specialists in various fields may wish to debate with Stretton's analysis, as he would presumably expect. Yet he wants to demonstrate not only are there alternative policies to those of neoliberalism, but they are financially viable with astute leadership.

The Poverty Wars by Saunders

In his 154-page analysis, *The Poverty Wars*, Peter Saunders examines the debate about the extent, causes and nature of poverty in Australia. Saunders is one of the leading writers in this area in Australia. He is Director of the Social Policy Research Centre at the University of New South Wales, and numbers among his publications *The Ends and Means of Welfare: Coping with Economic and Social Change in Australia* (CUP, 2002).

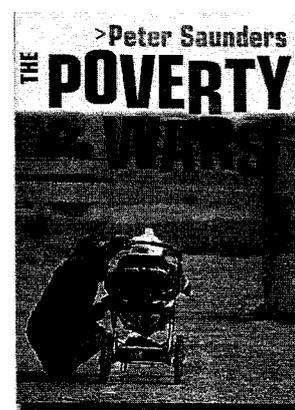
Saunders also highlights the way neoliberal philosophy is shaping social policy in Australia. One of his key debating partners is curiously of the same name, and operates out of the Centre for Independent Studies. Our UNSW Saunders is very concerned that a misleading campaign has confused the public about the extent of poverty, and given the impression that it has fallen. Instead of examining why poverty persists, the CIS has focused on the failure of the poor themselves and of welfare programs. The voices of the poor are easily dismissed as 'the politics of envy', especially by conservative commentators and some politicians. Hence the trend has developed for governments to absolve themselves from responsibility to minimise poverty.

'The poverty wars have seen issues of measurement become bound up with questions of cause and response, revealing stark differences in philosophy about such issues as choice, freedom, responsibility and the role of

government' (p. 9).

Saunders deals with key problems of definition and methodology underlying the poverty debates, and argues strongly that poverty has increased significantly over recent decades. He insists that the fact that poverty is so extensive does not make it inevitable, as other countries demonstrate. He recognises the complexity of the issues involved, but nevertheless like Stretton believes that governments can win the war on poverty, with more resources and carefully crafted policies.

Saunders reviews the debate about different definitions of poverty, and looks at newer approaches in terms of capacity, deprivation and exclusion. Chapters follow on the causes of poverty, and its consequences, including the effects on children and on families.



Church agencies need to pay close attention to the policy debates like those advanced in the above books. It is not enough to provide crisis intervention and services to people in difficulties, even though these are of course necessary. The more fundamental task is to design policies that result in much better social outcomes, along the lines of the anti-poverty strategies adopted by the Irish and British governments. The challenge is to remove the causes of poverty and social distress, not just to care for their victims.

It is a matter of bringing Catholic social principles to bear in current debates, demonstrating how principles of social equity, solidarity and special concern for the disadvantaged can help shape more enlightened social policies. ◆