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# Australians' Wellbeing - What does it mean?

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How true is it to say that we live in challenging times. Problems once described as "wicked" are now seen as "diabolical". Indeed what we once assumed as a "given", namely our commitment to growth and consumption as the over-arching objective for public policy, is now seen as a problem by many concerned about our ability to manage for the future. Culture, as well as our habits and behaviours, are now seen as legitimate targets for public policy.

"Habits", as Jack Fuller has described them in his policy monograph for Per Capita, Promoting Good Choices: Patterns of Habit and the Role of Government, "are a central concept linking brain and society ...They are an evolved mechanism which positively facilitates normal life and behaviour. Problems arise, however, when habits occasionally entrench patterns of bad choice that are difficult to change.

Habits can only be redirected incrementally and imperfectly, but most areas of policy are already implicated in shaping habits, whether policy makers attend to this or not".

More specifically we have to deal with the big questions surrounding issues like international terrorism, climate change, global financial instability, and social exclusion, particularly but not only as it relates to the developing world. I say this in recognition of the fact that we too have unacceptable levels of social and economic disadvantage.

All of this is happening in the context of an ageing society and increased competition from emerging nations, most notably but not only China and India. Yes it is true that we gain from the export of our resources to these growth economies but it is also the case that our other major trading and investment partners in Europe and North America are feeling the pinch. Some commentators have even said that the advanced industrial democracies are moving from an "age of abundance" to an "age of austerity". The British political scientist David Marquand has put it this way:

"The current economic downturn is only one aspect of a much more fundamental crisis. At its heart lies a fatal mismatch between public expectations and political rhetoric on the one hand, and the realities of tightening resource constraints, destructive climate change and the mechanics of global capitalism on the other. We now live in a society where everyone believes that they have a divine right to ever-rising living standards; that we have finally reached the sun-lit uplands of ever-increasing consumption, and that if the good times come to an end, our leaders must be to blame.

This flies in the face of 250 years of capitalist history. In truth, swings from boom to bust are intrinsic to capitalist market economies, and have been so since the South Sea Bubble. To that truth we must now add an even harder one: the environmental crisis stemming from climate change is no longer a distant threat. It is already a reality; and the current economic downturn is

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partly due to it. The rising costs of food and energy which have helped to aggravate the switch from boom to bust, are not acts of God. Like the vast pool of debt that helped to power the boom and now exacerbates the bust, they are the poisoned fruit of the age of abundance, which is now coming to an end - yet which all political leaders, virtually all schools of political thought and most of the Westminster-centred commentariat still take for granted.

The age of abundance will pass, whatever we do; and it is likely to pass a lot more quickly than seemed probable only a few years ago. The choice lies between a gradual, controlled, but still painful transition to a new age of austerity, and an infinitely more painful and destructive transition at a somewhat later date. The first option is patently the right one, but it involves a transformation of the moral economy - a revolution of mentalities as radical as the Reformation or the implosion of communism - of which there is, as yet, no sign."

A "transformation in the moral economy"? What could Marquand have in mind? He is writing, of course, in the tradition laid down by the greatest liberal of them all, John Stuart Mill. Mill pointed to the inevitability of a Stationary State in which the restless pursuit of material wealth is replaced by a gentler more co-operative society dedicated to the pursuit of more elevated ends such as education and culture. "I am not charmed" Mill said "with the idea of life held out by those who think the normal state of human beings is that of struggling to get on".

However Mill was also clever enough to know that modern democratic societies could very well be subject to the "tyranny" of majority opinion and that reason and empathy don't inevitably win out against emotion and prejudice. Our anxieties and uncertainties may drive us to act instinctively and tribally rather than rationally and inclusively. Populism is an ever-present potentiality whose political currency has been recognised and legitimised in the contemporary political landscape. We all know, of course, that while it feels good at the time, the chickens invariably come home to roost. Populist episodes always end in tears.

In other words the challenges we face today have both a policy dimension (What works? What doesn't work?) and a political dimension (How can we engage the public in a dialogue around change?). As Anonymous had an American Governor put it in his classic novel *Primary Colours*:

"This is really a terrific country but we get a little crazy sometimes ... I guess the craziness is part of what makes us great, it's part of our freedom. But we have to watch out. We have to be careful about it. There's no guarantee we'll be able to continue this - this highwire act, this democracy. If we don't calm down, it all may just spin out of control. I mean, the world keeps getting more complicated and we keep having to explain it to you in simpler terms, so we can get our little over-simplified explanations on the evening news.

Eventually, instead of even trying to explain it, we just give up and sling mud at each other - and it's a show, it keeps you watching, like you watch a car wreck or maybe wrestling. That's right. The kind of posturing and hair pulling you see us do on thirty second advertisements and on podiums like this one is exactly like professional wrestling: it's fake, it's staged' it doesn't mean anything. Most of us don't hate our opponents; hell, we don't even know 'em. We don't have the fierce kind of ideological differences we used to have, back when the war in Vietnam was on. We just put on the show because we don't know what else to do. We don't know any other way to get you all riled up, to get you out to vote. But there are some serious things we have to talk about now. There are some decisions we have to make as a people, together. And it's gonna be hard to

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make them if we don't slow this thing down a little, calm it down, have a conversation amongst ourselves."

He concluded by saying:

"And I guess that's what I want to do with this campaign: sort of calm things down a little, and see if we can start having a conversation about the sort of place we want America to be in the next century."

In starting such a conversation we need to start with the basics: what objectives should we set for our community? What process are we to put in place to progress these objectives? How are we going to measure and monitor our performance?

Actually the Council of Australian Governments made a good start when they entered into a new federal financial agreement in 2008 that was aimed at facilitating improvements in "wellbeing". There it is, in lights, the aspiration to improve the wellbeing of Australians!

In saying this, our politicians were drawing on a number of decades of intellectual and practical effort to broaden our understanding of the meaning of progress.

However, this is not an agenda without its internal tensions and contradictions. It is to that issue that I now turn my attention.

There are essentially two schools of thought on what we mean by "wellbeing" -the sustainability school and the happiness school. Both are important but the former is more feasible in the real world of politics and possibility. The latter, however, is like a burr under one's saddle - annoying but necessary as a reminder of a deeper reality from which none of us can escape.

Let me begin by saying something about "happiness". There is an element of this approach that is useful and that is the reminder to us all that our feelings and emotions are important in the calculation of wellbeing. The World Health Organisation (WHO) put it so well in 1946 when they defined health as "a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity".

Here the focus is on the psychology of existence rather than the conditions and facts of existence. It is subjective - people's positive evaluations of their lives, including positive emotions, engagement, satisfaction and meaning. It is concerned with how people experience things as well as with what they experience.

According to the gurus of the positive psychology school of thought Ed Diener and Martin Seligman wellbeing relies on being positive, being engaged and being part of a bigger picture. These are defined as follows:

"Positive and negative emotions and moods give a person ongoing feedback about whether things are going well or poorly...

Engagement involves absorption and what is sometimes referred to as flow, focussed attention on what one is doing... Boredom, the opposite of engagement, is a lack of interest combined with negative feelings...

Meaning is a larger judgement of belonging to and serving something larger than self.

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Finally, life satisfaction is a global judgement of well-being based on information the person believes is relevant."

According to Diener and Seligman wellbeing can itself be the cause of good outcomes:

"Desirable outcomes, even economic ones, are often caused by well-being rather than the other way around. People high in well-being later earn higher incomes and perform better at work than people who report low well-being. Happy workers are better organisational citizens, meaning that they help other people at work in various ways. Furthermore, people high in well-being seem to have better social relationships than people low in well-being..."

Finally, well-being is related to health and longevity, although the pathways linking these variables are far from fully understood. Thus, well-being not only is valuable because it feels good, but also is valuable because it has beneficial consequences."

Clearly there is an important insight in what Diener and Seligman are saying. However, the strong focus on the subjective does represent a challenge for those of use keen to use the possibilities that politics offers to change the world. Life itself is full of contradictions be they existential, personal or political. An element of anxiety is part of our condition that spurs us to find out more, work co-operatively, and experiment with our lifestyles and experiences. In all of this there may be fleeting moments of euphoria, continuing episodes of happiness and a lifetime of emotional stability. On the other hand our anxieties may push us over the line into depression. What society has an obligation to do is provide the freedom to allow individuals to find balance and equilibrium in their lives. As the Americans put it so well in their Constitution - we have an inalienable right to "the pursuit of happiness". This is good, solid liberalism which has been interpreted in the USA to mean the freedom to marry, to enjoy privacy and to pursue a business or occupation of one's choice so long as it is not inconsistent with the rights of others.

Secondly, and most importantly, it takes us to the challenge of mental illness. Diener and Seligman acknowledge that the provision of treatment in the case of mental problems is also a condition for wellbeing.

One could also add to this a broader requirement that we accord mental health itself a greater priority in our thinking and practice. We need to remember that for some, the anxieties I mentioned earlier may become overwhelming. This is not easy in a society that places such a strong emphasis on "freedom of will". We know there is a deeper reality to our make up as individuals but its complexity frightens us. We prefer the illusion of freedom rather than the complexity of self-awareness.

It's not just our intellectual abstractions that hold us back but unrealisable aspirations and dysfunctional social relationships. It ought to be a concern for public policy that aspects of contemporary life make it harder for many to cope. The pressure for perfection. The pressure to consume. Indeed in and around what we might call "the cult of self-improvement" in modern society is the recipe for perpetual disappointment. As Barry Magid has put it in his excellent book *Ending the Pursuit of Happiness*:

"Deep down we don't want to be a human being, because being human means being subject to all the inevitable pain and suffering of being human. Our bodies are subject to change. We grow and develop and we exercise and become strong and fit. But all of us will eventually grow weak and sick and helpless, some sooner than others, for reasons that may not be under the control of

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the best of our diets, exercises of fitness programs. What then? Have we somehow failed? Sadly, many people would rather treat the inevitable consequences of being human as a failure of their project of perfection in one of its many guises than admit that the most basic things about life are not and never have been under our control."

Thirdly we can draw implications about the importance of engagement strategies for our contemporary democracy. Indeed Diener and Seligman do say that living in a democratic and stable society is part of the social basis for wellbeing.

We now have many case studies of where citizens are engaged not just through the election process but also through properly conducted consultations and deliberations. All of this assists in developing trust and providing hope for the future. It takes people seriously by involving them in the process of government.

It is the case then, that the happiness agenda has something to contribute - an understanding of the importance of freedom of thought and religion, democratic engagement and attitudes and services to tackle mental illness. It also reminds us of the importance of family and civil society to our development as human beings. As Robert Putnam observed in his now classic studies of democracy, we need a rich mosaic of bonding and bridging communities to create social capital. The former involves connections that link people to others like themselves and the latter involves connections that link people to others unlike themselves. The bridging capital is harder to build but particularly important to the health of a democratic society.

What then of the sustainability school of thought?

This is what I would call the overarching agenda that is capable of putting wellbeing at the centre of public policy. In my own State Government's strategy in this area it was defined as "meeting the needs of current and future generations through integration of environmental protection, social advancement, and economic prosperity".

It's often described as the "triple bottom line" approach to policy making and implementation although this ignores the importance of developing mutually reinforcing solutions posed by the conflicts that often emerge between the environmental, social and economic objectives.

What is important about sustainability is that it recognises social and environmental outcomes as having equal value with economic outcomes. It also recognises that the Gross Domestic Product doesn't tell us enough about what matters to people and their families. Indeed there are certain aspects of life which aren't part of its calculation such as voluntary activity. Nor does it distinguish between desirable and undesirable production.

You will have had plenty of discussion at this conference on the technical issues involved in alternative measures of progress to that provided by economics over the last two centuries. There is the issue of whether one measure, (such as a Genuine Progress Indicator) is possible or whether we ought only focus on the separate measures available for the economy, society and environment.

My answer to this dilemma is to say "let us treat sustainability as an ongoing process that involves democratic dialogue about what is and isn't important, about how to measure such things and about how to monitor our performance." There is no single bullet but there is an aspiration to ensure life is better for people -that they have jobs and an adequate income, that they live in a

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society that values their freedom and provides for their security, health and education and which protects their environment, both local and global.

Interestingly Australian has such an agenda. It is called the National Reform Agenda and has been institutionalised by COAG in a series of agreements between the Commonwealth, the States and the Territories. These agreements have identified the challenges of productivity, workforce participation and mobility and delivering better services to the community. Also identified are the goals of social inclusion, closing the gap on Indigenous disadvantage and environmental sustainability.

This is a comprehensive agenda involving an intergovernmental agreement on federal Financial Relations (the IGA), National Specific Purpose Payments (SPPs) supported by the new National Agreements, and National Partnership payments associated with National Partnership Agreements. Backing it up is a performance assessment framework involving the COAG Reform Council.

Across the six National Agreements, there are 19 objectives, 29 outcomes and 22 targets and against these are around 100 or so performance indicators. In reporting to COAG the CRC has noted the importance of relevant measures, data availability and appropriate timelines in the delivery of that data.

It provides a governance framework for a continuing program of microeconomic reform, better outcomes in health and education, a fairer and more inclusive society and more sustainable practices in the way we use energy and water. It is a feasible and plausible wellbeing agenda that deserves support across the political spectrum.

However, like me many in this room might feel that there is a disjunction between appearance and reality when it comes to national reform. Yes there was a debate during the election campaign about aspects of the reform agenda, but no real debate about the agenda itself and its potential as an agent for substantive improvements in our overall wellbeing as a nation.

In a sense it is an agenda that is in competition with others, most notably the new security agenda involving immigration defence and climate change. These have attracted a good deal of attention, and resources particularly in the case of defence and immigration.

That this is fully understandable should be clear to us all. We all know about politics, media and public opinion and how they interact to create a focus for national discussion and daily news reports. Terrorism, refugees and extreme weather will always win the day.

One might also ask: does it really matter? If the hard slog of COAG-initiated reform is going on outside the glare of publicity isn't that a good thing? Don't we want results rather than press releases?

Both of these points are relevant but we need to ask whether or not the National Reform Agenda can survive the test of time and politics. Long-term change like this needs bipartisan support (as Ian Marsh and David Yencken pointed out in their excellent monograph *Into the Future: The Neglect of the Long-Term in Australian Politics*), continuity and consistency in application and adequate resources for the tasks at hand. If something is a national priority then that is what it should be, backed up by the coordination and discipline to make it happen.

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How, then, might we lock in the National Reform Agenda and its implicit commitment to sustainability?

Two factors will be decisive -the attitude of the new Parliament and the commitment of the major players, the Commonwealth and the States.

There is no reason why the National Reform Agenda ought not to be the subject of parliamentary resolution, legislation and Committee activity. In this respect there may very well be more agreement between the two major parties than between them and the Independents and Greens, particularly when it comes to economic reform.

Perhaps more important however will be the attitude of the Commonwealth and the States. Will the Commonwealth keep its focus on the outcomes being sought and resist the temptation to return to the era defined by control over the way things are done? Already we have seen the Commonwealth pushing the boundaries in health and education. For their part the States (and Territories) will need to ensure that time and resources are devoted to the intergovernmental agreements. They need to be core business rather than unwanted additions to the work they do.

Bringing about the sorts of changes that improve the competitiveness of the economy, promote social justice and protect our environments, city and country is never easy. The timelines for success are longer than the three year terms of our Parliament and the public policies needed to achieve results are not immediately obvious when it comes to the wicked and diabolical problems of our age.

However, what an opportunity it is to provide a sense of purpose to our deliberations as a nation and to the directions we give our public service. The framework is there. Let's make sure we fill it in with a broad-base of support in the Parliament and in the Community. Let's give the long-term a chance!