Abstract: *This article shows how the pandemic crisis has been worsened by four decades of market-based economic governance. The shift in the late 1970s from the post-WW2 social democratic welfare state to policies that are based on neoliberal individual economic-based rules of monetisation undermined the inclusion of measures of social wellbeing. This model has been undermining voter trust levels with its promotion of financial goals without including equity on its agendas. The privatising of essential services and reduction in public ownership of almost all space and symbols has failed to meet its own promise of trickle-down wealth, nor has it offered fair support measures for needy citizens.*
Action is needed to restore voter trust levels so we can engage the Government in appropriate pandemic responses. The recent data from the ABC 'Australia Talks' survey has shown wide voter support for renewing a social contract to counterbalance limited economic measures of societal success.

Restoring Democracy's dangerously low trust levels with social contracts

> *Trust in government has been identified as one of the most important foundations upon which the legitimacy and sustainability of political systems are built. Trust is essential for social cohesion and well-being as it affects governments' ability to govern and enables them to act without having to resort to coercion. Consequently, it is an efficient means of lowering transaction costs in any social, economic and political relationship (Fukuyama, 1995). A high level of trust in government might increase the efficiency and effectiveness of government operations.*
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> Government at a Glance, 2013, OECD[1]

There are multiple definitions of trust but I picked this one as it clearly states the high value of trustworthiness in the political sphere. This is an area I have had a long interest in, and it was the core of my 1995 ABC Boyer Lectures, *A Truly Civil Society*. My concern was the shift away from the commitment made by governments post-World War II to value the welfare and equity of people so as to avoid the pre-war conditions that had led to distrust of democracy and the rise of fascism. In the 1980s governments started to change to market models that were based on neoliberal ideas of self-interest as the driver of wealth creation. This was predicated on cutting government spending and no longer providing social wellbeing services and policies. As I had been a refugee from Hitler, I was very concerned about these changes.

Trust was the implicit measure that created the optimistic decades post WWII in Australia: the ALP's post-war reconstruction plans expanded government provisions of welfare, health and other public services. It fitted in with the international commitment to create stable states to counter the revival of pre-war Fascism and dictators. Social democracy was seen as the system that offered judicious mixes of social equity and liberal rights.

[1] https://read.oecd-ilibrary.org/governance/government-at-a-glance-2013_gov_glance-2013-en#page21

This balanced mix of policies has continued to be overtaken by the increasing emphasis on the private sector, big business controls, and market forces. The diminution of voter trust that these changes have caused is now particularly potent as it is coupled with increasing evidence of poor policies and controls over the persistent spreading of the Delta COVID virus. It also exposes the dangers of our limited levels of political cooperation and cohesion.

The pandemic has raised increasingly serious questions of the role of governments, as we see the ill-effects of privatisation and how community-based non-profits would be better able to deliver services during times of crisis. Interestingly, data from a range of surveys showed the levels of distrust of government were high before the pandemic arrived, but after the Federal Government introduced public-based policies to address complex care needs in early 2020 the levels of trust rose. Rare unity across parties and state boundaries was able to make improvements and deliver results to meet public needs.

However, many of these government responses were short-term with expectations of some snapback built in. By early 2021 most were terminated as the Federal government returned to its usual way of doing things — funding the private sector to lead the 'recovery'. The May 2021 budget took clear steps to diminish the role of public services, failed to fix the emerging problems of privatisation of aged-care services and utilities, and reimposed severe conditions on the needy. The arrival of the more easily transmitted Delta virus, and the flubbing of the vaccine rollout, have forced the reintroduction of government control as lockdowns are now necessary again. Unsurprisingly, the previous rise in trust is diminishing, showing the need for a different political framework, one that restores trust, values cooperation and creates social cohesion. We need to restore the social contract that underpins well-functioning democracies.

The social contract describes the post-WWII government reforms I mentioned above. This reconstruction ensured that the new democracies, as well as the older ones, would offer welfare and social progress that countered poverty and exclusion to avoid vulnerability to toxic nationalism and acceptance of authoritarian dictators. This led to welfare state reforms, public funding of community services, and a commitment to communal fairness.

These changes in turn led to the growth of social movements in the 1960s. These popular movements had reform intentions and included peaceniks, civil rights, feminism and decolonization. The establishment of the United Nations in 1945 and other international standard setters meant that human rights, forms of solving disputes and workplace fairness were now on the agenda. Australian reconstruction under Labor's John Curtin and Ben Chifley created strong community services movements, universal health care, and funding for many community and children's services. Community Development movements appeared from USA slum clearances, and social reform was strong. Democracy was social and built on the implicit social contract, even under Liberal PM Robert Menzies. It balanced the rights of citizens with obligations to have public and community models of delivering services.

However, an alternative to social democracy was emerging. The neoliberal market-based paradigm had also been developing post-war and was cemented in the late 1970s with Thatcher's UK election victory. Her government reduced taxes by cutting public and community services and replacing them with a market model of service delivery that saw us as customers not citizens. By shifting service provision to a business idea based on 'choice for customers' rather than 'services and entitlements of citizens', the social contract role of the state was dismantled.

By the early 1980s, there was a growing backlash against social and public providers. Reagan's accession to the USA presidency legitimated an odd mix of economists, big business and other anti-government-control groups to promote neoliberal reforms to counter the increased costs of public services and reduce business controls and tax. In Australia, despite Fraser losing to Hawke in the early 1980s, this neoliberal approach infiltrated aspects of Labor policies through Keating, for example privatisation. By the time Keating lost to Howard, market-based changes were entrenched and Howard proceeded to lock in cuts to welfare, lessening the scope of government controls.

The paradigm-shifter history

I was seriously concerned by these ALP policy shifts as many of the changes we had fought for and won were threatened. This was particularly well illustrated by the move from publicly funded community-based childcare services to privatisation, which resulted in massive increases in fees charged and a lack of services where they were needed. It was like a get-rich-quick scheme for some that ended in disaster for many.

So, by the time I did the Boyer Lectures, in Keating's last year of being in power (1995), I had spent two decades as a change maker. I had agitated in my role as Director of the NCOSS in the late seventies to extend the community services sector, and then during time spent in Canberra devising welfare and children's services policies for the ALP. As I watched neoliberalism, with its emphasis on macho money making, take over, I was seriously concerned that it would undermine social democracy and its values.

I became a sociology academic in 1994 researching social wellbeing, which included recognition of the value of women's work in paid and unpaid roles and how economics ignored it. I was aware we needed to recognise and reward those important social aspects that were being excluded from the political agenda, which included care and nurture and other domestic, creative and communal unpaid roles that were the bases of good societies. However, the then neoliberal driven politicians were taking the policy agendas to the ever-more macho-based interest in Gross Domestic Product that only valued what was monetised and traded. Much of what the post war activists had built was being discarded in favour of an economic-driven future that removed the equity factors we had introduced. Community development, a hot issue recently, had little chance of surviving in a plethora of market forces and privatisation.

So, when I was offered the Boyer Lectures, I decided to use them to show the problems created by these exclusions and the destructive nature of neoliberal economics. I included the then-new idea of social capital, which was a measure of the social glue that makes societies work well. While these lectures were well received by the public, the institutions of power were wedded to the market-based model. In 1996 when John Howard became Prime Minister it was his background as a conservative ex-treasurer that influenced his thinking, ensuring that economics continued to rise as the only official measure of societal wellbeing. Under his government, which was in power for nearly 12 years, the last vestiges of the implicit social contract disappeared.

The institutions of power – a mix of politics and wealth – have shown no interest in change despite the increasing evidence in polls and elections that market models are not delivering the promised trickle-down wealth. These political actions have actually worked to increase the fragility of liberal democracies, which are now no longer seen as the deliverer of trustworthy policies. There are now fewer functioning democracies and more moves to Strong Men rulers as can be seen in Brazil, Hungary and The Philippines, with many other democracies increasingly unstable.

Distrust of those elected threatens democracy and has been more evident since the 2008 Global Financial Crisis showed the flaws of the market model. This suggests we have not learned the lessons of the problematic 1930s pre-war situations.

What is demonstrated over and over again is that the basic assumptions underpinning the neoliberal market model are damaging to societies. They are based on markets run by and for homo economicus, the archetypal self-interested individual who only cares about acquiring monetised valued material (paid) goods and service. These make up Gross Domestic Production as the only measure of wealth and well-being with no allowance for the social needs, emotions or ethics of trustworthiness.

Care, responsibility and relationships are the basis for the social cohesion needed in civil societies, particularly during times of crisis. Dealing with pandemics requires high social cohesion and goodwill to make care work and effectively manage disease threats. The changes we need to create more civil societies are not on the political agenda, even as the effects of the pandemic are creating further problems, and distrust of those in power grows.

Why is this important? Because the changes we need to see to create more civil societies are not on political agendas, and the effects of the pandemic are creating further problems as distrust of those in power grows and lack of effective, socially functional alternatives are on offer.

Recent data shows Australians are much more likely to support the social changes and fairness necessary to create better societies. The substantial data, collected by the Australia Talks survey by the ABC in May 2020, finds high levels of distrust in government and other institutions, but also found a wide range of socially responsible views relating to wellbeing and inequities. This survey was substantial: 800 questions and 60,000 respondents. The

wide sample and multiple respondents allowed the inclusion of many questions not usually included in media polls.

Feeling hopeful

Discussions and government policies are usually underpinned by the official false assumption that voters are primarily self-interested, and the odd call claiming that 'we're in this together' is not convincing. This new data, as well as showing the need to mend the trust damage, also suggests there is potential to shift policies out of this dreary, damaging self-interested economics paradigm.

The survey asked a series of questions about 'Who do we trust?'. Generally, the answers showed that most respondents have little trust in those in positions of power and influence. Politicians were distrusted by 77% of respondents, with corporate executives at 81%, religious leaders at 74%, and union leaders at 65%. The most distrusted were social media influencers (97%) and celebrities (93%), which may not be a bad thing.

On specific attitudes to politicians, Annabel Crabb reported some illustrative ones in her article: *Australia Talks reveals we have very little faith our politicians will do the right thing*![2]

- *We don't trust politicians; 59 per cent of respondents disagreed with the proposition that "politicians in Australia can generally be trusted to act in the interests of the people they represent".*
- *More than half of us think that corruption is commonplace. We don't trust our politicians to do the right thing by us. And while we're strongly of the view that they should resign if they lie, the data has revealed we're also resigned to the likelihood that they will lie, and they'll probably get away with it.*
- *Eighty-nine percent of us are confident that 'most politicians in Australia will lie if they feel the truth will hurt them politically'*.
- *We don't trust politicians; 59 per cent of respondents disagreed with the proposition that "politicians in Australia can generally be trusted to act in the interests of the people they represent".*

These are a few of the many examples in the survey that indicate negative feelings that can so easily undermine commitment to sustain democracy. Another trache of views ranked the performance of the government. Questions were asked about their handling of some divisive policy issues to assess respondents' views. The following table shows the negative scores only.

[2] https://www.abc.net.au/news/2021-06-16/annabel-crabb-analysis-australia-talks-polticians-accountability/100214236

Issues governments are seen to be handling badly by substantial respondents

	Very bad	Somewhat bad
Handling of asylum seekers and refugees	51	19
Addressing climate change	49	25
Protecting the environment	42	28
Managing the distribution of water	40	26
Helping people get out of poverty	37	34
Fixing Indigenous lack of recognition	34	25
Promoting social justice	34	28
Combating domestic abuse	34	32
Addressing mental ill health	32	33
Supporting the arts	29	24
Supporting quality education systems	26	28

The data above indicate that it was most of the 'progressive' areas that respondents rated as badly handled by governments. Most of the social-need areas were ranked badly. The sample included last vote adjustments so these negative views suggest a lot of support for fairer social policies. These data scores suggest that the current private sector/market dominance is not really popular.

It's clear that major parties are not actually responding to voters' values, and consequently adding to voter reasons for distrust. These data critiques of current policies and processes suggest that a paradigm change would be welcome if it was more generous socially. These results challenge many successive government assumptions about voters choosing one party or the other, based on self interest. What they are looking for instead are good public policy options that cover social and not just economic needs.

What can we do? An action plan

It is time to seriously offer alternate political options to counter the policies that have damaged the communal and social aspects of our relationships to those in power. These have been wide-ranging, from cuts to community programs to privatisation of power, roads, children's services, aged care, and parks just to name a few.

These types of changes are both relevant to and very evident in the once more powerful community sector. The decades of privatisation of community services have undermined the concept of locally run and controlled community and care services, which set their own agendas. Government funded services are now too often privately run for profit or may be locally run but are funded by competitive tendering models. These allow the government to set the criteria for services and pick the ones they think are most likely to do what they were told.

Areas like children's services and aged care are increasingly run by for-profit owners, or by lessees who set their own expenditure and profits. The local stability and support, once offered as part of local demands and services, are few and far between. Neighbourhood Centres cannot decide what is locally needed as their funds are tied by contracts prepared by the state funder. At the same time, low pay for feminised jobs and growing inequities in many disadvantaged areas undermine development action and personal support roles. Recent Royal Commissions have found many serious flaws in aged care, disability and other areas.

The political power of the community sector has been curtailed at a time when locally run and driven services are badly needed as they serve the least advantaged. The cuts and privatisation of government services along with the current dependence on importing essential items that were once locally made show what happens when globalisation replaces good local planning.

The arrival of the pandemic has underlined the flaws of this fragmented community care even more starkly. In 2020 during the first infections, the government response by an increase of the public sphere was a good example of how governments can offer the funding, medications and professional skills needed to tackle a medical crisis. Now, though, the wheels seem to have fallen off with the arrival of the Delta virus. Errors made in vaccine supplies and tensions between the states and the feds as they compete for public approval, all work to undermine last year's increases in trusting them.

This lack of trust doesn't play well when demands are being made on the rights and liberties of the people being governed. Australia is seeing this clearly in the debates around controlling the virus. I am struck by the lack of any mention of trust. The growing distrust we faced before the pandemic is an increasing threat as the new varieties baffle and confuse the public health systems and create a sense of governmental incompetence.

Our early success in 2020 in confining the virus, had reassured us that governments were capable of managing this threat, if not necessarily our broader social cohesion. Now, in August 2021, as Delta continues to spread, those in power are less able to reassure us and there is a desperate need for clearer communication and better planning. The state-based political bickering is making most of us anxious and/or angry, as the risks become more dire.

As our rights to government services and support continue to disappear, replaced by customer relationships with public bodies, our citizenship is being phased out. Now even passengers and patients have become customers. There is a long trail of polls showing

growth in distrust and cynicism around those with power, as once-respected institutions such as banks, religions and corporations, have been disgraced.

New questions for policy changes – a campaign proposal

How do we acknowledge that the present priorities and relationships of those in power need to be addressed? The worsening capacity to deal with the current social and medical threats has only heightened the serious splits and political threats that we were facing before the pandemic. The high distrust that was damaging democratic governance remains, signaling problems of the goodwill in those we may elect to represent us.

I believe we need to set better and more appropriate criteria for assessing the social value of policies and proposals for change. It starts with valuing trustworthiness. The credibility of functional democracies depends on voters' levels of trust in their representatives' goodwill and competence. It's what matters to us in our families, communities and our public lives as citizens. It plays a part in many debates on political efficacy and representation.

The schema below has been developed by looking at the underlying patterns of responses in the Australia Talks data and devising indicators of judgment and ability to develop goal-setting frameworks. I've used some of the categories of questions to determine the changes people want to see, and have grouped these under the more emotional and social desires that respondents indicated. These have been categorised by the desired outcomes indicated by responses. Majority responses suggest the following views of how to make societies more acceptable and what kind of governance is preferred.

1. **Will the policy increase voters' TRUST of politicians and the political system?** Voters need to feel represented by those whom they can trust to listen, and to do the right thing. We know that post the first wave of COVID trust levels increased with the introduction of policies such as JobKeeper and free childcare to look after the populace. Although these were economic in nature, they had at their core an understanding of what matters to people.

2. **Will the policy maintain/increase FAIRNESS targets in social terms and not increase benefits for the powerful?** Australia has a historical sense of the fair go that was part of the social contract, despite serious flaws of racism. Too much focus on the market has stopped policy makers thinking about whether policies are fair, instead they're viewed through a self-interest lens, whereby they prioritise what individuals will get out of it. Many people are looking for more from governments, caring more about equity and wellbeing.

3. **Will the policy be INCLUSIVE, particularly for needs-based services, and not increase competition in a sector or privilege privatisation?** This is particularly stark around policies for those in aged care and First Nations communities, for example, where local communities and groups have been excluded from the delivery and planning of services. To make sure we don't need any more Royal Commissions into social services and inequities, we have to make the best use of culture, experience and engaging with communities to create optimum outcomes.

These criteria offer a useful starting point that's more in line with what Australians want to see in government policy. They are a way to measure current policies' effectiveness by assessing what they contribute to trustworthiness, whether they increase fairness, and how they address community inclusion in decisions that affect them. Identifying the deficits, though, is just the beginning. Here are some suggestions about how the criteria themselves might also be used to create change. We need to develop strategies to emphasise the following:

- Apply the above criteria to current and future policies related to community services and engagement. Use them as the basis for a campaign via community groups to create ideas that explore positive policy functions that include issues that would rate highly on developing trust, for instance.
- Promote them as a tool to use for more social agenda items in the public discourse, ones that give people positive ideas for evaluating policies.
- Engage people to distribute the criteria with the idea that good policy needs to contribute to fixing trustworthiness, fairness and inclusion in their design, so that they're not detached from society.
- Encourage concerned people to come up with policies themselves that will appeal to voters and create trust. At the very least, take as their starting point the idea that we're not all just interested in policies that bribe us or only mend a bit of the issues, or what we personally gain.

Although I identified many of these issues over 25 years ago in my Boyer Lectures, I believe it's still getting worse. I'm not stopping, though, so offer this as a starting point for change….

Eva Cox AO 3/9/21