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DEMOCRATIC REFORM RESOURCE

# “THE RULERS OF THE GENTILES LORD IT OVER THEM”

The Need for Democratic Reform



<sup>25</sup> Jesus called them together and said, "You know that the rulers of the Gentiles lord it over them, and their high officials exercise authority over them. <sup>26</sup> Not so with you. Instead, whoever wants to become great among you must be your servant, <sup>27</sup> and whoever wants to be first must be your slave — <sup>28</sup> just as the Son of Man did not come to be served, but to serve, and to give his life as a ransom for many."

Matthew 20:25-28

Most Australians would agree that our democratic system should aim to ensure that everyone gets an equal say in government. In short, "one person, one vote". The influence that a person's wealth has over democracy should be limited. Currently, unlimited political donations allow wealthy people to participate politically, and the more significant a person's wealth, the greater their ability to participate in the political system and have their preferences represented.

In addition, since the 1980s, there has been growing income and wealth inequality in Australia. Wealth correlates to political influence in our system. Thus, many in the bottom 50% of income earners feel left behind and do not feel their interests and concerns are being taken seriously within the political system.

The World Inequality Database (<https://wid.world/country/australia/>) shows that income distribution in Australia has matched the global trend for wealthy countries. Between the First World War and 1980, the share of income for the bottom 50% of Australians increased from 15.3% to 18.7%. The income share of the top 10% decreased from 36.6% to 24.9%. After 1980, the trend reversed with the rise of neoliberal economics favouring the wealthy. By 2022, the neoliberal economic policies pursued by Australian governments saw the income share of the bottom 50% of Australians drop to 16.4%, while the top 10% had their share increase to 32.9%. As French professor of economics Thomas Piketty has argued, "History shows that inequality is essentially ideological and political, not economic or technological."

The OECD has pointed out that:<sup>1</sup>

*The increasing concentration of economic resources in the hands of fewer people presents a significant threat to political and economic systems. If the financing of political parties and*

*election campaigns is not adequately regulated, money may also be a means for powerful special interests to exercise undue influence and "capture" the policy process.*

Further, they pointed out the negative consequences for the wider community:<sup>2</sup>

*Over the past three decades, income inequality has risen in most OECD countries, reaching, in some cases, historical highs. The increasing concentration of economic resources in the hands of fewer people presents a significant increase in the risks of policy capture. When government policymaking is captured by a handful of powerful special interests, the rules may be bent in favour of the rich. The consequences of a widespread feeling that governments are not working in the wider public interest are grave, leading to the erosion of democratic governance, the pulling apart of social cohesion, and the undermining of crucial concepts that underlie democracy, such as equal opportunities for all...*

*The relationship between inequality and undue influence in politics through political financing is often overlooked. Socioeconomic inequality is only the tip of an iceberg of inequalities of different dimensions, including differences in influence, power, and voice. Consequently, governments are expected to proactively address high-risk areas at the intersection of the public and private sectors, including lobbying, conflict of interest in public decision-making, and the influence of vested interests exercised through political financing.*

High private wealth being able to skew the democratic system to reflect preferences of the wealthy is a major problem in itself, but it also leads to another problem;

1 OECD, 'Financing Democracy: Funding of Political Parties and Election Campaigns and the Risk of Policy Capture', OECD Public Governance Reviews, OECD Publishing, Paris, 2016, 15.

2 Ibid., 24-25.

a lack of trust in the democratic system. Because a significant proportion of people on lower incomes are unheard and their preferences are not represented, they feel disenfranchised. A 2018 study by Democracy 2025 found that those more likely to feel satisfied with the status quo of our democracy were men aged over 55 and on incomes of more than \$200,000 a year. Those more likely to be unhappy with our democracy were Australian-born women aged in their forties and on incomes of less than \$50,000 a year.<sup>3</sup>

As noted by the ALP's analysis of its 2019 election loss:<sup>4</sup>

*Voter trust in politics globally and in Australia has collapsed, resulting in economically insecure, low-income voters treating all political promises with extreme scepticism while being highly receptive to negative campaigns.*

As a concrete example of the consequences of declining trust in government, the loss of the referendum for a Voice to Parliament for First Peoples in Australia was heavily correlated to this lack of trust in government. Analysis by the Australian National University found that those who voted 'no' were more likely to be older, with low levels of formal education, living outside of capital cities, living in low-income households, and not trusting our democratic system.<sup>5</sup> Of those that voted 'no' at the referendum in October 2023, 42% would have voted 'yes' in January 2023, pointing to how easy it is to play to a lack of trust in government and democracy to block reform.

## Theological considerations of giving people on lower incomes a more significant say in society

If our starting point is that all people are made in the image of God, then it is reasonable to argue that all people should have an equal say in society. Having an equal say should particularly apply to decisions that impact our lives. To love our neighbour is to give our neighbour a say in how our society is governed and what laws and rules should apply to all of us. We have a role to play through engaging with others to seek a just society and world. As put forward by Rev Professor Sean Winter:<sup>6</sup>

*The Christian commitment to 'faith' should never be reduced to the idea of passive 'trust' or intellectual 'belief'. Paul's formula refers to the part that people play in making God's justice real in the world by creating and sustaining communities based on pistis [faith] and its promise of security, mutual support, and shared goals. It is perhaps better to translate the term as 'faithfulness' or even 'allegiance' to others (including God) as the primary means of participating in various kinds of social organisation. As with Paul's justice language, the focus in the New Testament is clearly on how all this relates to the church community. But the language itself and the expansive vision of God's purposes for the world, inviting our participation in social relationships that pursue those purposes, is clear.*

Jesus challenges the model of seeking power over other people. In the Beatitudes, he states, "Blessed are the meek, for they will inherit the earth" (Matthew 5:5). "Meek" here means "afflicted, poor, bowed down". God's reign will allow such people to "inherit the earth".<sup>7</sup>

However, at the same time, the Biblical text contains many passages that have fed a culture of "saviourism" within the church. Such an approach draws on an image of God as a divine dictator providing benevolent rule over humanity. From such an image, wealthy and politically powerful Christians have often seen their duty as to assist the "poor" through providing material charity, but not in sharing political power with those on low incomes. However, the problem of Christians seeing themselves as saviours of others can render the other as being seen as helpless and deny them agency in their own lives. The self-appointed saviour can adopt an attitude of knowing best for people whose lives they have no direct experience of.<sup>8</sup>

Theologian Douglas John Hall warned of the distortion to our understanding of God created by the "political functioning of the Christian religion over a millennium and a half" as a "spiritual guarantor and cultic legitimator of the powers-that-are" such as emperors and kings.<sup>9</sup> Monarchies that distorted Christianity to claim legitimacy, and churches controlled by members of the aristocracy, had a vested interest in sustaining an image of God

3 Democracy 2025, 'Trust and Democracy in Australia. Democratic decline and renewal', Museum of Australian Democracy and University of Canberra Institute for Governance and Policy Analysis, December 2018, 10.

4 Craig Emerson and Jay Weatherill, "Review of Labor's 2019 Federal Election Campaign", 29.

5 Nicholas Biddle, Matthew Gray, Ian McAllister and Matt Qvortrup, "Detailed analysis of the 2023 Voice to Parliament Referendum and related social and political attitudes", ANU Centre for Social Research and Methods, 28 November 2023.

6 Sean Winter, "Democracy, Justice, and Allegiance: Some Theological Thoughts on the Church's Commitment to Political Life", Synod JIM Cluster, April 2022.

7 Leslie J. Hoppe, "There shall be no poor among you" (Nashville: Abingdon Press, 2004) 148.

8 Kanakulya Dickson, Themrise Khan and Maika Sondarjee, "Introduction: Why White Saviourism" in "White Saviourism in International Development" (Québec, Canada: Daraja Press, 2023) 5.

9 Douglas John Hall, "The Cross in Our Context" (Minneapolis: Augsburg Press, 2003) 79.

informed by power and downplaying theologies that drew upon love, justice and compassion.<sup>10</sup> The result was a distorted theology that lost “its critical bite, its inherent critique of power, to be reduced at best to a matter of charity towards the underclasses”.<sup>11</sup>

The miracles performed by Jesus and his disciples in the Gospels also create an image of servants of God who assist the helpless from a position of power or superiority. However, many of the miracles of Jesus were about restoring a person to be part of their society as an active member. They empower the person and give them some level of agency in their society (see, for example, Luke 18:35-43, Matthew 8:2-4, Mark 5:25-34). In the case of the man in John 9:1-38, he is empowered to talk back to the Pharisees who interrogate him after Jesus removes his blindness.

Philosopher Michael Sandal has pointed out that if people on lower incomes are to trust in society again, they need more than charity from the wealthy and middle class. They need to be able to make a meaningful contribution to society and have a meaningful say in society. Drawing on Catholic social teaching he wrote:<sup>12</sup>

*Theories of contributive justice teach us that we are most fully human when we contribute to the common good and earn the esteem of our fellow citizens for the contributions we make. According to this tradition, the fundamental human need is to be needed by those with whom we share a common life.*

## Concerns about political donations

Most concerns about the influence of political donations are whether an individual or an entity can use donations to gain access and influence over politicians. As the extensive work by Assistant Professor Julia Cagé has demonstrated, through political donations in France being concentrated towards the wealthiest people collectively, the preferences of the wealthy have collectively drowned out the interests of those on lower incomes, and contributed to the silencing of these voices in political discourse.<sup>13</sup> Professor Jan-Werner Müller has raised concerns about the emergence of a “donor class” that can skew the system to their preferences.<sup>14</sup>

Cagé points out that the wealthy disproportionately make private political donations, using French data as an example:<sup>15</sup>

*Whereas fewer than 0.8 per cent of fiscal households contribute each year financially to a political party, they represent 2.7 per cent of the richest 10 per cent, 3.8 per cent of the richest 1 per cent, 5 per cent of the richest 0.1 per cent, and – most striking of all – more than 10 per cent of the 0.01 per cent of French people with the highest incomes.*

For the data that is visible in Australia, analysis of political donations in the Federal system between the 1998 – 1999 and 2020- 2021 financial years by the Centre for Public Integrity found:<sup>16</sup>

- the top 5 donors whose donations are disclosed contributed 31.5% of total donations;
- the top 10 donors contributed 41.4%; and,
- the top 20 donors contributed 52.8%.

The average donation in an election year was \$154,548<sup>17</sup>, the entire salary for someone in the top 10% of employees.

Analysis by the Centre for Public Integrity found in the 2021- 2022 financial year, there were only 579 donors to political parties and candidates that exceeded the reporting threshold of \$14,500. Further, an analysis of political donations into the Federal system between 1998 and 2021 found that the top 5% of donors contribute 76% of all disclosed political donations.<sup>18</sup>

It is hard to believe that the vast majority of donations from wealthy people do not collectively influence our democracy, even if individual wealthy donors hold different political views on some issues.

The work of Cagé has shown that it is not the amount of private donations in a political system that matters, but rather the balance between public and private funding of elections. In places where public funding of elections is small or non-existent, even small private donations can buy influence based on how desperate the political candidate is for funding.

10 Ibid.

11 Ibid., 172.

12 Michael J. Sandel, “The Tyranny of Merit. What’s become of the Common Good?” (UK: Penguin Books, 2020) 212.

13 Julia Cagé, “The Price of Democracy. How money shapes politics and what to do about it”, (Cambridge: Harvard University Press, 2020).

14 Jan-Werner Müller, “Democracy Rules”, (UK: Allen Lane, 2021), 150.

15 Julia Cagé, “The Price of Democracy. How money shapes politics and what to do about it”, (Cambridge: Harvard University Press, 2020), xvi.

16 The Centre for Public Integrity, ‘A few loud voices. The concentration of Commonwealth political donations’, January 2023, 3-5.

17 Ibid., 4.

18 Ibid., 1.

A growing number of people on lower incomes lack trust in our democracy, which contributes to the majority of Australians not supporting increased public funding for elections. The limits on public funding fuel the need for those seeking election to rely on increased private donations, leading to a further privileging of the preferences of a small number of wealthy donors.

It must be recognised that unlimited private donations allow the wealthy, including corporations, to shape public policy in their favour without donating. Rich individuals and large corporations can use the threat of large donations to the other side in political debates to shape public policy without having to make good on any payment.

A system with unlimited donations from wealthy individuals and large corporations allows a candidate with access to such donors to out-compete other candidates that has built up a grassroots support base of less wealthy Australians.

There is therefore a false economy put forward in Australia. By not significantly funding elections with government revenue, ordinary people end up worse off through the laws and policies favouring the wealthy and corporations who make large donations.

## Democracy vouchers as a means to increase democratic participation

One idea to reduce the bias towards the wealthy in a system that allows for political donations is a scheme that will enable people on lower incomes to donate with government-provided funds. The system has been implemented in the US city of Seattle. Since 2017, each resident of Seattle gets four US\$25 (AU\$39) publicly funded democracy vouchers that can be donated to the candidate of their choice in local council elections. The vouchers are paid for through a property tax. The system has been used in the 2017, 2019, 2021 and 2023 elections. As a result, Seattle now has the largest and most diverse donor pool in the US, with a total increase of 350% of unique donors. In the 2021 election, 48,071 Seattle residents used their democracy vouchers to fund the campaigns of 11 candidates. More candidates now run in council elections, with an 86% increase in candidates in 2019 compared to previous elections. Candidates from disadvantaged backgrounds have been able to run and have a real chance of winning. A 2020 study found that 70% of respondents who used their democracy vouchers had not previously made a political donation in any Seattle election. Candidates have changed their behaviour to spend more time door-knocking.

Photo credit: M W Hunt





As one political fund-raiser in Washington State told the JIM Cluster, they chase a small number of wealthy donors as a fundraiser in other parts of Washington State. In contrast, in Seattle, they must be a “friend-raiser” to persuade voters to allocate their democracy vouchers.

The wealthy attempted to drown out the democracy vouchers in Seattle. The multinational corporation Amazon poured a six-figure donation into the Seattle local council elections in 2019 to try to tilt the results in their interests. In response, to defend the democracy voucher system, the newly elected Seattle City Council introduced a ban on donations from any corporation with more than 5% foreign shareholding.

In Australia, such a voucher system could be delivered through the tax system. Each voter could nominate a party or registered candidate to provide a small government-funded political donation through the tax system. The tax system has been used in other jurisdictions to deliver political donations. For example, in Italy, citizens can opt to have 0.2% of their tax liability allocated to the political party of their choice.<sup>19</sup> In the US, American citizens have been able to tick a box on their tax return to provide \$3 to a Presidential Fund to fund the presidential election.<sup>20</sup> Since the Victorian Government’s Energy Bill Relief Fund has been able to give residents in Victoria \$250 in a Power Saving Bonus through an online application,<sup>21</sup> it should be easy for the Commonwealth Government to set up a system to provide for small citizen-directed donations to the party or candidate of their choice.

The system would deliver the following benefits:

- It would allow people who otherwise could not afford to do so to participate further in Australian democracy by providing a small donation;
- The additional funding is at the choice of voters, so it avoids being seen as the parties in government allocating additional public funding to themselves;
- It will provide an incentive for candidates to seek mass support to gain funding from voters before an election rather than chasing a small number of wealthy donors;
- Over time, it would allow for more significant restrictions on large political donations that skew the system to the preferences of a small number of wealthy donors; and,
- It is more likely to be used by people who have not made a political donation before compared to alternative initiatives such as government funding matching donations from existing donors up to a limit.

Given the level of cynicism about the political system, take-up is likely to be low initially, meaning only a small impact on the government budget. However, once established, the use will likely grow if the system is protected from being drowned out by a few wealthy donors making large donations.



19 Julia Cagé, “The Price of Democracy. How money shapes politics and what to do about it”, (Cambridge: Harvard University Press, 2020), 52-56.

20 Ibid., 138.

21 <https://compare.energy.vic.gov.au/psb-faq>



## Adopting a position on democratic reforms

The JIM Cluster suggests that the proposal below be taken to the 2025 Synod meeting, calling for democratic reforms that would increase the ability of people on lower incomes to participate in the democratic system and reduce the influence of wealth.

The Synod resolve:

*(a) To express its concern that in Australian democracy, a person's wealth allows them to have a more significant say in laws and government policies, often to the detriment of the common good and undermining trust in democracy and government by people on lower incomes.*

*(b) To request the Australian Government to implement reforms that will curb the influence of wealth in the democratic system, including:*

*(i) Implement a system where all Australian citizens can make a small government-funded donation to the political party or candidate of their choice before an election;*

*(ii) Restrict private political donations and the amount candidates and political parties can spend on elections so that public funding of elections is the primary way elections are funded;*

*(iii) Require the public service to recognise the value of lived experience by using meaningful codesign with people directly impacted by policy as the default mechanism for designing services and programs that ordinary people need; and,*

*(vi) Require the amount of all private political donations to be disclosed on tax returns, and aggregated data on political donations by income level be deidentified and made public.*

*(c) Ask the Australian Government to regulate the influence of lobbying by:*

*(i) Legislating the creation of a Lobbying Register that covers in-house professional lobbyists as well as third-party lobbyists;*

*(ii) Requiring all employed lobbyists to disclose who they've met with, when, why, and the topics that were discussed;*

*(ii) Require Ministers to publish their diaries covering official duties on a regular basis; and*

*(iv) Ministers and senior public servants be prohibited from being employed in direct lobbying activities related to their previous portfolios for at least three years after leaving office.*

*(d) To write to the Prime Minister, Special Minister of State, Attorney General, Leader of the Opposition, Shadow Special Minister of State, Shadow Attorney General and the Leader of the Greens to inform them of the resolution.*

If you have any comments or suggestions for the proposal, please get in touch with the JIM Cluster by writing to:

### Justice and International Mission Cluster

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Or e-mail [jim@victas.uca.org.au](mailto:jim@victas.uca.org.au) or calling 0409 166 915 by Monday 30 September 2024.

The JIM Cluster is also happy to meet with congregations or groups to discuss any issues related to the proposal.



## **JUSTICE AND INTERNATIONAL MISSION CLUSTER**

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