



# **Social contract needed to deliver a 'no BS' public health agenda**

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Ganesh R Ahirao

# Summary

A government budget should—at a minimum—be a future-focussed plan for how limited productive resources are used. It should also aim to reduce the resource constraints passed on to future generations.

Claims echoing the “there is no money” defence reflect a narrow financial perspective, with little regard to any economic understanding of the true productive resource constraints. Financial and economic objectives must be subservient to desired higher-level objectives (or outcomes), alongside a social contract specifying the guardrails within which all economic activity and behaviour must lie.

The status quo agenda will see public health activities destined to continue as futile exercises to prove one’s case on economic (growth) contributions.

Rather, public health activities (and other public services) should be assessed based on how they reduce future constraints on productive resources alongside meeting social contract obligations, responsibilities, and expectations.

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The 2025 Budget is primarily a financial statement detailing income and spending plans for the Government. Sadly, like many before it, the Budget remains an accounting exercise with little connection to an economic lens, outside of its gratuitous title of *Going for Growth*. As always, there are claimed constraints on spending in the guise of “there is no money”, “we can’t afford it”, or versions around that similar theme of “like any household”.

Choices and trade-offs are framed, as previously, around facile economic arguments suggesting a growing debt burden, the unsustainability of deficits, and wasteful spending. But the connection to economics is, at best, marginal.

## Understanding economic constraints

This Briefing points to the need for government Budgets to be viewed through a truly economic lens; one where the constraints on prosperity are the capacity and capability of the nation’s productive resources. Productive resources include natural eco-systems, the built physical infrastructure, and people – their skills, their knowledge, their experiences, and their communities.

Unlike a household, a government’s Budget should not be framed around the financials, but around the use of the nation’s productive resources. It should specify plans on how much of these productive resources are to be used for the provision of public, or collectively consumed goods and services.

Resources used by government to meet these community demands are not available to meet demands from others for individual consumption of goods and services.

A longer-term perspective requires some of the productive resources to be assigned to maintain and improve the capability and capacity of said resources, ensuring they remain fit-for-purpose for future generations of communities and consumers.

This is where the trade-offs or choices need to be framed. From an economic lens, the critical choice is between satisfying collective and future demands and those from individuals.

## **The objective, alongside the social contract**

The missing element in these trade-off—or resource allocation—choices is a clear statement as to the objective underpinning the decisions. Yes, there are financial objectives—AKA, “balance the budget”, and/or there are economic objectives AKA, *Going for Growth*. But neither financial nor economic objectives should occupy prime positions in the trade-off decision-making. They are both *means to an end*; not ends in themselves. Hence, they should be subservient to the higher-level objective (outcomes) of our collective endeavours.

**These outcomes could be living standards, hauora, wellbeing, resilience, prosperity, future opportunities for the community, society, and nation.**

However, as long as the economic objective retains its elevated status, the excuse “we can’t because it will hurt the economy” can be (and is) used effortlessly to torpedo any suggested policy programmes, irrespective of expected outcomes. Thus, potential programs are immediately faced with assessment according to “contribution to economic objective”.

This immediately puts proposals targeting child poverty reduction, immunisation rates, or encouraging healthy active living, drug harm reduction, or establishing food security, at an immediate disadvantage in proving their case.

The trade-off choices should be assessed on the contribution of productive resources in delivering on higher-level objective or outcomes, rather than delivery of narrow financial or dubious economic objectives.

Having established desired higher-level objective or outcomes, the remaining elements required to robustly assess competing uses of productive resources are the rules or guardrails for activity that is expected and acceptable in the pursuit of these outcomes. In earlier times, society and communities agreed that slavery and the use of child labour were not acceptable when delivering more growth (the economic objective). More recent expectations place restraints on productive resources devoted to gambling and alcohol activities.

Importantly, these guardrails are being tested where, in cases, expectations and acceptable behaviour are implicit rather than explicit.

A recent *New Zealand Medical Journal* editorial argued, in the context of improved healthcare, for the “... need to re-establish the social contract and fund the duties and responsibilities that flow from that.”<sup>1</sup> However, the social contract need not be limited to health care.

The social contract—agreeing the reciprocal expectations and responsibilities of Government, communities, and Māori—is akin to specifying the guardrails within which all economic activity and behaviour must lie.<sup>2</sup> Alongside income and work responsibilities, are expectations as to accessible health, education, and other public services, and of individual and collective rights, enforceable contracts and a social licence to operate businesses.

There are benefits, including both opportunities and safety nets, to being included in a

community with a social contract. Further, the strength of the contract (and its adherence, or not) forms part of the legacy (and productive resource base) passed to future generations.

## **The public health agenda**

The government Budget should, at a minimum, be a future-focussed plan as to the use of limited productive resources. Such a plan should also include efforts to alleviate the increasingly binding constraints carried in the legacy of resources left for future generations.

Continuing to play to the agenda of an outdated status quo, public health activities are destined to continue futile exercises to prove one's case on economic (growth) contributions. An alternative option would be to assess public health activities (and other public services) in terms of their contribution to easing the constraints on future productive resources, alongside meeting the responsibilities and expectations of the social contract.

Recognising people and their communities not just as productive resources, but also as reinforcing the strength of social contract obligations, responsibilities, and expectations would place public health as a core component in resource trade-off choices in any future-focussed plan.

## What this Briefing adds

- The Government Budget rhetoric of “there is no money” perpetuates a narrow and inappropriate accounting narrative.
- A sound economic understanding would point to productive resource constraints as the limiting factor on Budget decisions; and these constraints need to be viewed in terms of higher-level outcomes desired.
- Financial and economic objectives are a means to an end, not an end in themselves.
- Trade-off decisions over the use of limited productive resources should be assessed on their contribution to delivering on higher-level outcomes.
- A social contract establishes rules or guardrails for expectations, and acceptable economic activity and behaviour in the delivery of desired outcomes.
- Adherence to the social contract provides the benefits of being included in a community, reinforced by shared expectations and responsibilities.

## Implications for policy and practice

- Government Budget should, at a minimum, be a future-focussed plan as to the use of limited productive resources, including efforts to ease constraints on the legacy of resources left for future generations.
- In the absence of a fundamental re-orientation of the government Budget framework, public health activities and overall health programmes (alongside public services in general) will continue to play second-fiddle to narrow financial or dubious economic objectives.
- The case for public health activities should pivot to its contributions in alleviating constraints on future productive resources and meeting social contract obligations and responsibilities.

## Authors details

Dr Ganesh R Ahirao - Economist and former chair of the Productivity Commission

## References

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2. Ahirao G. What's the deal? The social contract – a perversion awaiting radical reform. (2025). Substack Whakapapa, *Whenua, Whai hua – People, Place, Value*. <https://ganeshnana.substack.com/p/whats-the-deal>



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