

IT'S NOT *JUST* THE ECONOMY, STUPID

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I hope no-one will be insulted by the title of my talk, other than perhaps Bill Clinton who had a notice on his desk saying: "It's the economy, Stupid!" Graham Harris of CSIRO called one of his lectures: "It's the Ecology, Stupid!" which is more polite than my title but I did not want to plagiarise that. And besides, there are issues other than ecology, though we biologists know that the health of an economy or that of a society ultimately depends on the health of the natural environment. So when I say: "It's not *just* the economy, Stupid!" it reflects my frustration after nine months of debate about a population policy for this country which has focussed almost entirely on the economy, relieved only slightly by feminist arguments centred on the side issue of maternity leave. My title is actually a *crie de couer*, a cry from the heart.

When Tim Flannery in his Australia Day address¹ called for a population policy, he said the policy should be:

...based on the recognition of the environmental constraints on our land, our economic needs, and the social desires of its people. The only way that such a policy can be achieved is for the

nation to engage in broad, vigorous and truthful debate, accompanied by a Government inquiry that is charged with setting an optimum population target...

You can forget the Government Inquiry because Philip Ruddock, Minister for Immigration doesn't believe in targets. But then Victorian Premier Steve Bracks and Steve Vizard did respond by organising the Population Summit on 25 February in Melbourne, with a bit of financial assistance from businessmen like Richard Pratt and Bert Dennis. Suddenly, though, the term "population policy" came to mean "population growth policy". To be fair to Vizard, I think he saw the Summit as the start of the broad, vigorous and truthful debate that Flannery had envisaged. Premier Bracks, on the other hand, pre-empted any such debate by calling for a population of 50 million for this country, reiterated by Richard Pratt over lunch. It was his "vision" Pratt said, insinuating that we who might prefer stabilisation or a gentle decline were devoid of such virtues as "vision".

And so it has gone on, with the Left not allowing any honest debate on the population aspects surrounding the asylum seeker issue. In what I believe was largely an exercise of misguided compassion, they have advocated an open door policy for all asylum seekers, whether genuine refugees or not, not appreciating the social or environmental ramifications of such a policy.

But it has largely been big business that has dominated the so-called debate of the past nine months, advocating significant population growth for the so-called sake of the economy.

Whether it was a case of vested or national interest was barely questioned though clearly big business and the housing industry have much to gain from a bigger population. Then someone woke up to the fact that we have an ageing population and suddenly we had to have

an ever-growing population to offset the effects of ageing. Never mind that reputable studies said our ageing was a transition not a crisis, that it was manageable and affordable²; that dependency ratios would be relatively healthy for another couple of decades or more; never mind that our ageing rate was not as bad as most other OECD countries; never mind that most commentators agreed that high immigration only had a marginal effect on ageing. When demographers got a word in they said that ageing is best off-set by near replacement fertility rates, that two children was the ideal, but that wasn't enough for some if the enthusiastic back-slapping of the man with nine children and cries of "Well done!" in a recent SBS Insight program were any gauge. All I can say to those who advocate nine children, why send Australia down to the bottom of the wealth table where there is a close correlation between poverty and large family size?

But perhaps at this point I should add: "It's not just demography!" though this time I won't say Stupid because demographers are basically good guys, at least compared to some professions I could mention.

Which gets me to the point: it's not just the economy when we are considering population policy. Flannery, rather wisely I thought, said the policy should be: *"based on the recognition of the environmental constraints on our land, our economic needs, and the social desires of its people."* I am not here to deny economics a place in the scheme of things. But let us look at this business of "the environmental constraints on our land".

Let's hear what the Australian Government had to say in its report on our environment to the recent Johannesburg World Summit on Sustainable Development³. Not surprisingly, it painted a glowing picture of the advances being made, but hidden in fine print, it admitted:

While progress is being made (on conserving biodiversity), land clearing for urban development and agriculture continues to deplete and endanger native species and ecosystems while roads continue to dissect the remaining wildlife corridors, and many native animals are killed on those roads every year. Salinity, caused by land clearing and irrigation, and other pressures on water quality threaten not only plants, animals and ecosystems but also the future of agricultural and other industries in many parts of Australia, and even urban water supplies in some cities. Declining water quality due to over-allocation and nutrient and sediment pollution affects inland aquatic biodiversity and ecosystems, as well as affected marine and estuarine biodiversity at the end point of these river systems.

Meanwhile, the Australian Conservation Foundation, Australian Council for Overseas Aid and a number of other like-minded groups commissioned Dr Peter Christoff of Melbourne University to respond to the report⁴. He rejected the Government's claim that the environment was now on a more desirable trajectory. He said that the data showed otherwise. Christoff said that over the past decade, in ecological terms, Australia has been a continent in reverse. Reflecting the actual provisos of the Government report, he said:

It is going backwards on nearly every major indicator of our environmental health, including the loss of animals and plants, land clearing and degradation, the condition of Australia's inland waters, and greenhouse gas emissions. Per capita, Australians generate more greenhouse gases and clear more land than any other wealthy nation.

Christoff went on to say biological diversity maybe now entering a period of crisis; permanent clearing of native vegetation remains the single most significant threat to

Australia's biodiversity; land degradation is an intensifying problem with salinity now recognised as one of the greatest environmental threats facing the country; Australia is the driest inhabited continent yet has the highest rates of water consumption per head in the world; over a quarter of Australia's river systems are either close to or have exceeded their limits of sustainable use; and climate change poses the perhaps poses the single greatest threat to life on Earth other than nuclear war.

Let's talk a bit more about climate change shall we? As Clive Hamilton said at the Climate and Culture Conference at the National Academies Forum in Canberra last week⁵, after noting that global temperatures may rise by as much as 6 degrees C:

...the consequences for Australia of climate change will be horrendous. There is a high probability of many areas settling into a permanent El Nino state, southwest Western Australia will be almost uninhabitable; water flows in the Murray-Darling will fall by 20-40 per cent, and severe damage is expected to be visited on the Barrier Reef, Kakadu National Park, the snowfields, wetlands and on and on.

Hamilton went on to say the farm lobby was in denial about this though it would be the most severely affected. Reduced stream flows would have huge implications for irrigators; annual milk losses per cow of 60-90 litres annually are anticipated; fruit fly and cattle tick will move southward; and weed infestations will be worse. Just in the Macquarie River Basin of northern NSW, CSIRO predicts that annual run-off will be reduced by up to 30 per cent and that by 2030, aggregate losses to the agricultural economy ranging from 6 per cent in a low-change case to 23 per cent in a high-change case.

Hamilton notes that at least one senior rural figure had finally got the message. Former National Party leader Tim Fischer said:

There is a very direct challenge for agriculture in NSW and Australia arising from climate change, and this will have severe impacts on production in forthcoming decades.

Thank you Tim Fischer for stating the obvious. Let's also hear what he said in April last year when launching the Australian water resources Assessment 2000 report. Fischer said:

Australia's natural resources underpin our economic development.

Again, stating the obvious, but thank you Tim Fischer.

But let's go back a step to that Climate and Culture Conference last week. Professor Ian Lowe from Griffith University was also there where he told Ken Davidson of the Age that:

...the global carbon budget to stabilise the atmosphere is about 40 per cent of the present level, and if this is shared out equally on a per capita basis the Australian share [assuming we have stabilised our population at about 22-23 million and the world has stabilised its at about 9 billion] will be about 10 per cent of the present level⁷.

That is, we have to get our emissions down to **one tenth** of present levels. Unfortunately they're already 17 per cent above 1990 levels and growing. Lowe was being optimistic (from my point of view at least) that we would stabilise at 22-23 million. On current trends we will

have 27 million by 2050 and nearly 32 million by the end of the century. But what if we go to the desired 50 million of Mr Bracks? That means we will have to get our emissions down to 4 or 5 per cent of current levels. All I can say we had better move over to a renewable energy economy pretty quickly or find an effective way of sequestering carbon dioxide.

Thus it is simply not good enough, as Professor Glenn Withers⁸ did last week in the first of his Population Policy lectures at ANU, to pay lip service to salinity and water problems and then essentially dismiss them by saying they could be dealt with the money generated by greater economic growth arising out of higher immigration. When I told this to a renegade economist friend, he replied, asking:

*Given that global growth over the 20th century was about three per cent pa, the global economy in real terms at the end of the century was about 20 times its size of at the start, and average per capita global real wealth increased by a factor of five over the period, if growth fixes the environment, how come at the end of the century we have any environmental problems at all? How come most of the global indicators - greenhouse gas, water and salinity are much worse at the end of the century than they were at the beginning?*⁹

We simply cannot avoid the fact that the generation of most wealth has a deleterious effect on the environment, either through pollution or production of carbon dioxide or over-extraction of water. Occasionally money can be used to fix the environment but, in the overall balance sheet, the negative environmental effects of economic growth far outweigh the positive.

Remembering what Tim Fischer said last year, Australia's natural resources underpin our economic development. Yet clearly our natural resources are in decline. At some point, and

we have passed that point in many cases not least in the salt-affected wheat-belt of WA, the economy will decline as natural resources are doing. While population growth is not directly linked to all environmental problems, it is indirectly linked to most and there is certainly a direct relationship between greenhouse gas emissions and population growth.

So it's not just the economy, it's the ecology as well, and it's also society. In a definitive article in the Australian Financial Review on March 2-3 following the Population Summit, Deidre Macken¹⁰ said:

...let's think for a moment which Australians shoulder the burden of population growth...it's poorer Australians who bear the costs - not just in terms of competition for jobs, but also in financial, cultural and emotional terms.

The immigration-fuelled housing boom has created huge divisions in society, mainly between the home-owning older generation and the renting younger generation. High rentals have driven many onto the streets and we now have over 100,000 homeless across the country.

By all means, let's have a population policy for this country but let not that policy be synonymous with growth. If, as Tim Flannery said, we are to keep within the environmental constraints of this country, then any increase in population is going to have to be accompanied by concomitant reduction in resource use and significantly improved energy efficiency.

Quite frankly, two things alone, impending climate change and dryland salinity, scare me witless. You can add to that one thing I haven't mentioned, and that is the coming oil crunch.

Global production of conventional oil will begin to decline sooner than most people think, probably within 10 years. Its effect on agriculture and the rest of the economy will be immense¹¹. These three issues alone demand a precautionary approach. Population growth may give us marginal short-term economic benefits but they have to be weighed against the environmental and social down-sides of such growth.

Population policy must not be left to economists alone.

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