

Stuck in Traffic

A new Institute study shows that the average Australian worker is spending three and three quarter hours travelling to work each week, more if they work full-time. Off to work: Commuting in Australia, by Michael Flood and Claire Barbato, clearly struck a nerve with Australia's harried commuters and attracted widespread media attention. Claire Barbato explains why.

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Most research on the journey to work has focused on the implications for city planning and transport. The Institute's new study is based on data from the HILDA survey and had wellbeing as its starting point.

Off to Work investigates the effect of commuting times on personal relationships and community life. Commuting exacerbates the negative impacts of long hours and work stress on people's family lives and relationships.

The strain of journeys that are not only long but unpredictable, congested or polluted take a toll. Many commuters come home late, grumpy and worn-out, with little physical or emotional energy for family life, friendships or other community activities.

Perhaps the most striking conclusion of the research was that 35 per cent of Sydney fathers in full-time work spend more time commuting than they do with

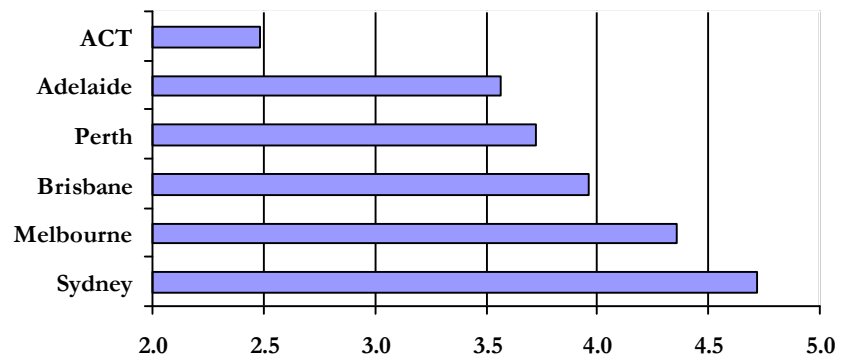
their children. For this group the average commuting time is more than eight hours a week, compared to less than four hours spent with their children. These people also tend to work long hours when they reach the office with half of them working more than 50 hours a week.

Of full-time working fathers in Melbourne, 30 per cent face a similar predicament. Across Australia, one out of five men who work full-time commutes for more hours than he spends with his children.

Commuting creeps into time for socialising as well. The more time people spend commuting, the less frequently they socialise with friends and relatives.

Full-time workers who commute on average for four or more hours each week are also less likely to be active members of sporting groups or community organisations.

Weekly commuting hours in selected cities



Unsurprisingly the more that people commute, the less likely they are to report high levels of satisfaction with the amounts of free time they have.

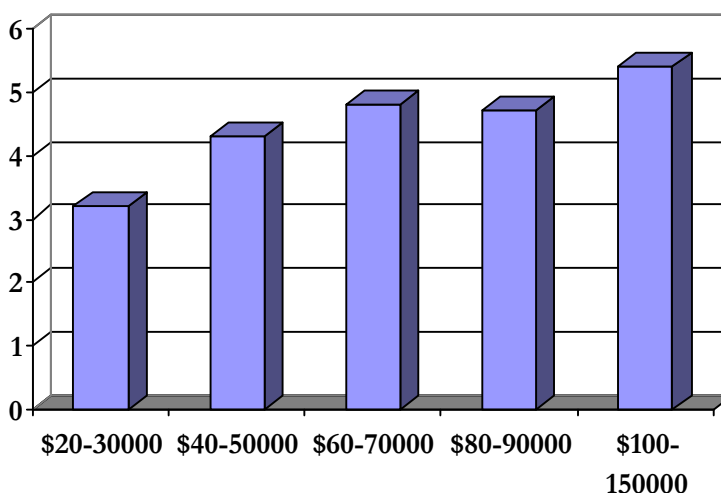
The study confirmed that people living in big cities spend substantially more time travelling to work than commuters in smaller cities or in non-metropolitan areas. Residents of Sydney, for example, spend one third longer travelling to work each day than residents of Adelaide and over 56 per cent longer than the average Tasmanian commuter.

Thirty five per cent of Sydney fathers in full-time work spend more time commuting than they do with their children.

If 'time is money' commuting is costing Australians dearly. If employees were to be paid for their commuting time at their usual hourly rate, they would receive, on average, an extra \$84 per week or \$4015 per year. Among all people in paid employment in Australia, the wage-equivalent time costs of commuting represent over \$454 million per week or over \$21 billion per year.

Contrary to expectations, high-income workers tend to spend more time commuting than people on lower incomes. Tradespeople (especially in the building industry) and managers endure the longest average commuting times.

Weekly commuting hours by annual income



While some people may be able to reduce the time they spend commuting by rethinking where they live, where they work, or how they travel, for most people the only hope for reduced travel times is changed local, state and national transport policies.

As long as transport and land use policies are developed in isolation from each other, people's commuting journeys will continue to be lengthy and frustrating and their transport choices constrained and unduly car-focused.

Commuting reform requires systematic changes in patterns of transport, land use and employment, including reducing the car dependence that has long characterised Australian transport policy and improving the availability, efficiency and reliability of public transport.

In short, Australia's major cities need to be re-engineered to make them more liveable, a process that will require decades. But few governments appear willing to take the bold steps needed to begin the process.

In the meantime the effects of commuting need to be factored into our discussions of work and family balance while workers, particularly in big cities, grapple with multiple demands on their time. ■



Downshifting Conference

On 23rd July 2005 a conference will be held in the Square House at the University of NSW in Sydney to enable downshifter and those who are thinking about changing course to meet and share experiences, difficulties and advantages. Several distinguished and informed speakers will be present, including Institute Executive Director Clive Hamilton. The cost of attending is \$105, discounted to \$95 if tickets are purchased before 11th July 2005.

For more details please consult the website www.downshifting.net.au.

Government stymies advocacy by green NGOs

Clive Hamilton

It is now clear that the Howard Government is engaged in a systematic campaign to silence its critics in civil society. Two Institute reports published last year, *Silencing Dissent* and *Taming the Panda*, analysed how this objective is being pursued.

The Howard Government is engaged in a systematic campaign to silence its critics in civil society.

The following are selections from a letter sent in February by Federal Environment Minister Senator Ian Campbell to the 317 environment groups on the Register of Environmental Organisations. Listing on this Register makes donations to these groups tax deductible. Their tax status is crucial to their survival.

I am reminding all organisations on the Register that there are important rules that they must follow in expending their tax deductible gifts.

.... Foremost, each organisation's principle [sic] purpose must be the protection and enhancement of the natural environment (or a significant aspect of it); or the provision of information and education, or the carrying out of research, about the natural environment or a significant aspect of it. It is mandatory that any tax-deductible donations be spent only in support of this purpose. That is, the funds should only be expended on the conservation of the natural environment and not for any other purpose, such as political activity.

The last four words are the key to Campbell's letter. They mean that any election commentary by environment groups, including the usual comparison of the campaign commitments by the parties, could 'and in fact probably will' see an organisation removed from the Register. Most groups would die a quick death if that happened.

Minister Campbell also stressed that any organisations that 'engage in,

encourage or fund any illegal activities' could be removed from the Register. So Greenpeace could be sounding its own death knell if it sends its activists to install a solar water heater on the roof of Kirribilli House, climb the flagpole of Parliament House to fly a banner or paddle in front of a nuclear warship.

These are not idle threats by the Government. They are consistent with the anti-NGO campaigning of the Institute for Public Affairs, the right-wing think tank commissioned by the Government to 'audit' the lobbying activities of NGOs. The determination of the Government to silence its critics was also illustrated by Treasurer Costello's draft Charities Bill (subsequently withdrawn) to tighten up the conditions under which charities attained tax deductible status and the defunding in April of the conservation councils.

As Glenn Milne wrote in *The Australian*: 'Behind the scenes this Government is moving ruthlessly to lock in its political ascendancy, even at the cost of free speech.' ■

The Wellbeing Manifesto

Melbourne launch

The Institute has prepared a new manifesto for the future of Australia. The Wellbeing Manifesto takes as its starting point the belief that governments should be devoted to improving our individual and social wellbeing. It outlines a new political philosophy and nine areas in which a government could and should enact policies to improve national wellbeing.

The Manifesto was prepared with the assistance of Richard Eckersley and has already been personally endorsed by more than two thousand Australians. A number of well-known individuals have also added their support including Tim Costello, Carmen Lawrence, Hugh Mackay, Natasha Stott Despoja, Professor Fiona Stanley and Phillip Adams. You can see who the supporters are and give the Manifesto your own endorsement by visiting

www.wellbeingmanifesto.net

The Manifesto is being officially launched in Melbourne on Tuesday 14th June. Speakers include Carmen Lawrence, Tim Costello and Clive Hamilton.

The venue is the BMW Edge Theatre, Federation Square. The launch will begin at 5.30 pm and end at 7.00 pm followed by drinks. Entry is free. Bring a friend.

Howard's Children?

A new Institute webpage, *The Attitudes of Young People to the Environment*, shows that young Australians are the least likely group to identify themselves as environmentalists. Richard Denniss explains.

In announcing the Federal Government's latest attempt to reconcile the interests of loggers and the environment in Tasmania, Prime Minister Howard declared that these days everyone is an environmentalist. Having criticised the notion that Bob Brown and environment groups had a monopoly on environmental concern, he stated that he was 'sick of that point of view'.

Many Australians may be surprised to learn that the Prime Minister is an environmentalist, but most people of his generation are eager to claim this distinction for themselves.

Only 40 per cent of 14-17 year-olds agree with the statement 'at heart I am an environmentalist'.

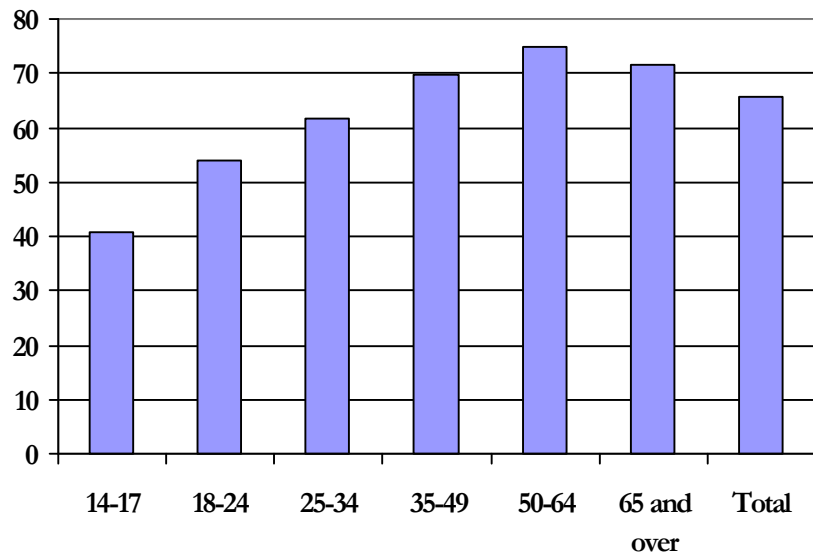
A new analysis of data from Roy Morgan Research conducted by the Institute shows that more than 70 per cent of people aged over 65 agree with the statement 'at heart I am an environmentalist'.

While it is perhaps reassuring to discover that the majority of Australians consider themselves to be 'environmentalists at heart', there is little evidence to support any claim that environmentalism is particularly attractive to younger Australians.

Surprisingly, the data show that only 40 per cent of 14-17 year-olds agreed with the statement 'at heart I am an environmentalist' – (see figure). Respondents aged 18-24 reported the second lowest level of identification with environmentalism, while those aged 50-64 reported the highest.

The age distribution of respondents who identify themselves as

'I am an environmentalist at heart', proportions who agree by age



'environmentalists at heart' is very similar to that of respondents who agree with the statement that 'I try to recycle everything I can'. But while identifying as an environmentalist and participating in recycling both increase with age, this is not the case in relation to perceptions of the need for immediate action to ameliorate environmental harm.

The proportion of respondents who agree with the statement 'if we don't act now we'll never control our environmental problems' peaks among those aged 25-49, and then declines among older Australians.

In addition to younger and older Australians being less likely to agree that we need to act now to protect the environment, these same groups both share a higher degree of scepticism about some environmental claims. Those aged over 65 and those aged between 14-17 are more likely to agree that threats to the environment are exaggerated.

Recent research by The Australia Institute on wasteful consumption (Discussion Paper No. 77) showed that young Australians are also more likely than

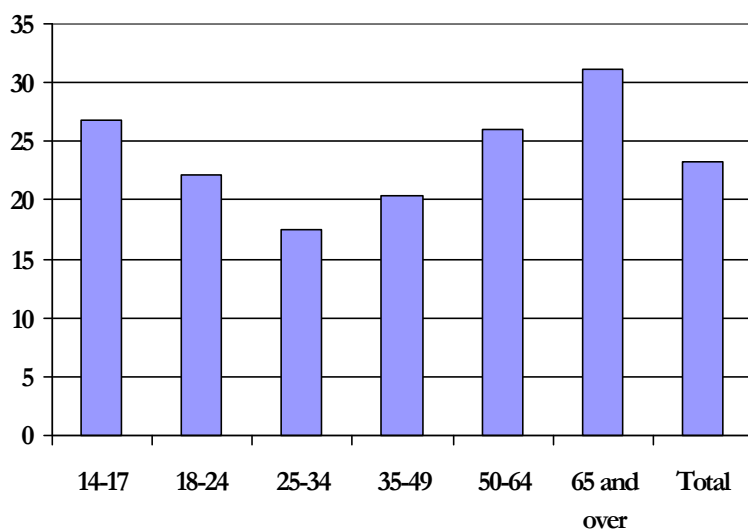
average to spend money on things they never use, as well as being less likely than average to feel guilty about doing so.

Young Australians are among the most likely to believe that threats to the environment are exaggerated.

Among young people, 38 per cent admit to wasting more than \$30 on fresh food per fortnight, compared with only seven per cent of people aged 65 and over who admit to such levels of waste. The situation is similar with respect to clothing, with 26 per cent of younger people admitting to buying more than \$100 worth of clothes per year that they rarely or never use while only six per cent of people over 65 claim that they do this.

The proportion of respondents who feel guilty about buying things that they do not use rises steadily with age; only 33 per cent of young people say they feel guilty while 53 per cent of people

“Threats to the environment are exaggerated”, proportions who agree by age



aged 65 and over say that they do. This situation potentially augurs badly for levels of waste in the future.

However, it may be that concern about the environment takes time to develop in individuals, in which case many Australians aged 14-24 who are currently little concerned with the need to protect the natural environment may change their views. Alternatively, it may also be the case that nine years of Federal Government policy and rhetoric, in which environmental concerns have been considered of secondary importance, are changing the views of Australia's youth. ■

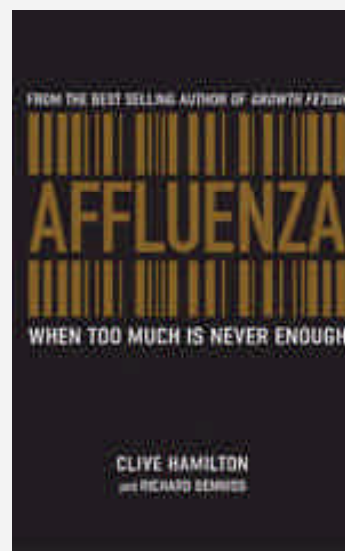
New book from the Institute

On June 3 2005 Allen & Unwin published a new book titled *Affluenza* by Clive Hamilton and Richard Denniss. The book draws on a range of research published by the Institute over the last three years as well as a wealth of new material.

Affluenza argues that Australians are spending themselves sick. Strong economic growth, rising real wages and low unemployment have not enhanced national wellbeing. On the contrary, material abundance has meant more stress, weaker family and community bonds, an outbreak of lifestyle diseases, serious environmental degradation and a resurgence of greed and envy.

Affluenza explores the links between the big social and economic problems of our times. Overwork, consumerism, advertising to children, the rise in obesity, and the throw-away society are described as symptoms of the same underlying problem. *Affluenza* provides both a thorough diagnosis and a comprehensive prescription for reform.

The RRP is \$24.95 but Institute members may buy the book for \$20 including GST and postage. Second and further copies will cost members \$17 each including GST and postage.



The 'Left' and the Iraq War

Clive Hamilton

The left has been snookered by the US invasion of Iraq. It is deeply opposed to the war yet supports the spread of democracy and civil freedoms. It is in the interests of the world that democracy should succeed in Iraq but that the US has its nose bloodied in the process.

President Bush and his allies, including John Howard, had little interest in promoting democracy in Iraq until it became expedient, when the weapons of mass destruction proved chimerical. Neo-conservative support for democracy is contingent on whether its promotion is in the financial and strategic interest of the US.

For anyone with an appreciation of the history of US foreign policy, Bush's dewy-eyed homilies in praise of democracy in the Middle East are nauseating. If he were serious he would act against regimes in those countries that could most easily be converted to democracy – those where autocrats rule only by dint of US support. He could begin with the US client regime in Saudi Arabia.

The decision to go to war in Iraq was wrong, not because Saddam was not a monstrous tyrant, but because it violated the first principle of international relations, respect for sovereignty. Without respect for sovereignty, international relations are reduced to the will of the powerful.

The only exception arises when a regime's activities directly threaten one's own security. Thus Vietnam was within its rights to invade Cambodia to overthrow the Pol Pot regime, which had launched a series of military incursions across their common border. Although most of the world breathed a sigh of relief to see such an odious regime fall, even then some countries, such as Singapore, were alarmed that a nation's sovereignty had been violated by a powerful neighbour.

The principle of non-intervention is one that has been much harder for the

left to accept than the right, because historically the democratic left in the West has been a much more staunch defender of democracy and human rights. And it has been at the forefront of legitimate means to put pressure on dictatorial regimes by supporting domestic dissidents and pro-democracy movements.

Trade sanctions and sporting boycotts against the apartheid regime in South Africa were supported by the left long before the conservatives felt the need to respond to public pressure. Some on the right, such as Margaret Thatcher and our own petty tyrant Joh Bjelke-Petersen, resolutely refused to support the international opposition to the white regime.

Western powers could have intervened militarily to overthrow the minority government. But none of the anti-apartheid activists, within South Africa and outside, ever advocated such a move. Imagine if majority rule in South Africa had not been won by the struggle of black and coloured South Africans but had been delivered by a foreign victor.

Neo-conservative support for democracy is contingent on whether its promotion is in the financial and strategic interests of the US.

Similarly, the revolutions in Eastern Europe were so inspiring and successful because they were people's revolutions. Governments created by US or NATO occupying forces could never enjoy the same degree of legitimacy and stability.

It is regrettable therefore that some, such as Michael Costello, former adviser to Labor leaders and one who identifies with the left, should give unalloyed support to the Iraq invasion and criticise sceptics on the left by repeating the arguments of people with abysmal records of support for democracy and

human rights throughout the world (*The Australian*, April 15, 2005).

It is more regrettable that some on the left should support an invasion by a belligerent Administration that trampled over the United Nations and then used appeals to democracy as a *post hoc* rationalisation to cover up its own lies.

Unscrambling the egg

While the intervention in Iraq was based on misrepresentations and hypocrisy, the fact is that withdrawal now would, in all likelihood, lead to catastrophic civil war. This is why the left is snookered: it wants peace and democratic government in Iraq, but it understands that an outcome that allowed the neocons to claim a victory would have grave consequences for the world.

While the human cost is appalling, the fact that the US and its allies quickly became bogged down in a costly and uncontrollable insurgency in Iraq is not without its long-term benefits. For if the adventurism of Bush and his hawks had been vindicated, it would have entrenched the USA under George Bush as an aggressive and arrogant power prepared to impose its will anywhere.

Only those ignorant of history, or blinded by a faith in American exceptionalism, believe that the US's global intentions are everywhere benign. Just as the hawks have been willing to promote democracy when it has suited US interests, they have shamelessly destroyed democracy when it has stood in their way. There is no better illustration than the US-led destruction of the Allende Government in 1973, events that ushered in a vicious US-backed tyranny that traumatised Chile for decades.

So a rapid victory in Iraq would have been good for the Iraqis but not for the future of peace, stability and self-determination elsewhere. The bloody nose that the US has received in Iraq has severely dented the confidence of the neocons and that can only be good for the world. ■

Taxpayers Soaked

Drought and public subsidies seem to go hand in hand. But, asks Andrew Macintosh, how much longer should taxpayers prop up unsustainable farming?

The effects of drought are devastating, both for rural communities and the environment. Farm incomes plummet, families become strained due to financial pressures, livestock dies, topsoil blows away, and weeds and pests spread across the landscape. Nobody wishes this upon farmers and everybody is sympathetic to their plight. But government policy is only making things worse by propping up an industry that has been crying out for structural reform for almost half a century.

The Federal Government's latest drought assistance package will cost taxpayers \$250 million, which raises the total in drought aid over the past four years to in excess of \$1.2 billion. To this must be added the hundreds of millions of dollars that are associated with programs such as the Diesel Fuel Rebate Scheme, Roads to Recovery Program, Sugar Industry Reform Package and the now infamous Regional Partnerships Program.

Why must taxpayers provide endless subsidies to farmers and then be asked to give more when there is a need to impose restrictions on property rights in order to improve environmental outcomes?

Despite the Australian taxpayer footing the bill for this seemingly endless stream of agricultural subsidies, the National Party and farm lobby groups continue to resist attempts to impose restrictions on the capacity of farmers to clear land and extract water to protect the environment. Their argument is that they should not be forced to carry the burden of providing public environmental benefits that are primarily demanded by urban residents. Persuaded by this argument and the lure of rural votes, the Federal Government

has ignored regulatory approaches to solving environmental issues and focused its attention on 'beneficiaries pays' programs. The largest of these are the Natural Heritage Trust (NHT) and the National Action Plan for Salinity and Water Quality (NAP).

The NHT alone is expected to cost taxpayers around \$3 billion by the time it concludes in 2008. Not content with this, the National Party and farm lobby groups now want governments to roll-back native vegetation and biodiversity laws and give farmers a statutory right to compensation when restrictions are placed on their ability to use their land and water resources.

But why must taxpayers provide endless subsidies to farmers to save them from the effects of drought and promote rural industries, and then be asked to give them more whenever there is a need to impose restrictions on their property rights in order to improve environmental outcomes?

Data prepared by the Productivity Commission suggests the agricultural sector is the most highly subsidised in Australia. If the Australian taxpayer provides millions, possibly billions of dollars to farmers every year, it seems only fair that they should be obliged to provide something back to the community.

The preferred policy option is that government subsidies to agriculture are progressively withdrawn, as they have been in most other industries. The winding back of subsidies should be coupled with a process of structural reform to help remove farmers from drought-prone areas and areas of low productivity.

In the current political climate, the chances of this occurring are slim. Both the Coalition and the ALP are desperate for rural votes and see rural assistance programs as an acceptable form of pork-barrelling. If neither of the major parties will confront the need to restructure the agricultural sector, taxpayers should

demand more value for their money. One means of doing this is to make improved environmental outcomes a condition of drought assistance.

The idea of tying drought payments to environmental outcomes makes economic sense.

This proposal aligns well with the Federal Government's mutual obligation rhetoric. If Indigenous communities are required to give undertakings to improve social conditions before receiving welfare, it hardly seems radical to suggest that farmers should be required to improve their environmental performance as a condition of receiving drought assistance.

The idea of tying drought payments to environmental outcomes also makes economic sense. The Federal Government is currently paying farmers to improve their management practices under the NHT and NAP. Why are we also providing drought assistance that often goes to farmers who have failed to set aside adequate reserves for dry times? In doing so, the Government is often merely rewarding poor management. A more cost-effective solution is to merge environmental and drought assistance programs so that there is a single subsidy that relieves the financial hardship caused by drought and includes incentives to improve environmental outcomes.

This will not work in all cases. Not all areas are drought-affected and, even in drought-affected areas, there will be circumstances where additional measures will be needed to achieve the desired environmental outcomes. But it will make a fairer, more cost-effective drought assistance system and help raise agricultural standards in the process. ■

Is the Bracks Government Serious about Climate Change?

On 27 April 2005, *The Age* reported that an independent panel had recommended that the Victorian Government approve the release of brown coal resources to allow Hazelwood power station, which is due for retirement in 2009, to operate until 2031.

Due to its age, technology and the low-grade brown coal it uses, Hazelwood has the distinction of being Australia's largest single source of greenhouse gas emissions, even though, at 1600 MW, it is only the sixth-largest power station.

According to the inquiry panel appointed by the Minister for Planning, the proposed extension of Hazelwood would see the emission of 340 million tonnes of CO₂ over the extended life of the station. It would thus lock in a huge volume of greenhouse gas emissions for decades to come.

The decision to allow Hazelwood to keep operating would totally negate the patient efforts of millions of Australians to reduce greenhouse gas emissions.

On the very day *The Age* reported the Hazelwood story, the Business Council for Sustainable Energy conference was told that the expected greenhouse gas emission savings from Australians purchasing more efficient appliances, due to energy labelling and minimum energy standards, would total about 204 million tonnes between 2005 and 2020.

In other words, the decision to allow Hazelwood to keep operating would totally negate the patient efforts of millions of Australians to reduce greenhouse gas emissions. They are doing so largely because they are saving themselves money through lower

running costs, but also in response to government exhortations to reduce emissions. In this regard, the Victorian State Government has been among the most vocal.

There are many alternatives to extending the life of Hazelwood. Most of the practical alternatives still involve the use of fossil fuels, but in ways that produce far less greenhouse gases. Renewable energy and energy efficiency can also help, but at their present stage of development will not be the whole answer.

Even without considering renewables and energy efficiency, emissions could be reduced by between 39 per cent and 71 per cent through using brown coal with a new generation technology, black coal (probably in other states, and importing the energy via the national grid) or natural gas.

The cost of generation from the alternatives would be higher than from Hazelwood, ranging from an extra cost of \$4-\$13 per tonne CO₂-e for advanced brown coal technology, \$11-\$19 per tonne for natural gas plant, and about \$24 per tonne for wind.

The Victorian Government would be hard put to argue against imposing emissions abatement costs such as these on the Victorian community by refusing Hazelwood's extension of operation, because it has already mandated far less effective and far more expensive measures to reduce greenhouse gas emissions.

From July 2004 it has been mandatory for every new dwelling constructed in Victoria to have either a rainwater tank or a solar water heater. In areas where natural gas is available, the solar water heater must be boosted by natural gas; where it is not available, the alternatives are boosting by electricity or LPG.

In non-gas areas, mandating solar water heating reduces emissions at a cost of



\$38-\$67 per tonne CO₂-e saved. In natural gas areas, the cost is \$275-\$475 per tonne CO₂-e, i.e. between ten and 100 times as great as the alternatives to extending Hazelwood.

In its first paper on greenhouse, published a decade ago, The Australia Institute concluded that the first element in a 'moderate but effective national greenhouse strategy' was 'a commitment to build no further coal-fired power stations'. This is still the touchstone of whether Australian governments are serious about greenhouse gas reduction. It is a test facing other states as well, notably the imminent decision on new coal-fired power plants in NSW. But the issue could hardly be as urgent or as sharply defined as it is for Victoria, which has the most greenhouse-intensive power stations in the country.

The Victorian Government's rhetoric has been exemplary. Earlier this year it declared that 'A reduction in greenhouse gas emissions is already urgent, particularly at a time when energy demand and greenhouse gas emissions are increasing'.

If the Bracks Government is serious about this, then it must act to prevent the extension of the operation of Hazelwood power station beyond 2009. Measures such as 'tree planting offsets' or a five per cent increase in the efficiency of Hazelwood would only be window-dressing, given the sheer magnitude of emissions at stake. *Continued on page 12*

ZPG for the ACT?

Claire Barbato

Several weeks ago there was a flurry of media attention in Canberra devoted to the fact that the local population had barely grown. The cry was ‘something must be done’ by government, business and anyone else with the welfare of the ACT at heart.

The Australia Institute, not convinced that Canberrans universally favoured living in a frenzied metropolis, commissioned a survey on the city’s optimal population.

The resulting report *How Big Should Canberra Be?* was launched by the ACT Chief Minister, Jon Stanhope, at the end of May. Liberal Senator Gary Humphries also spoke at the launch.

The survey revealed that almost three-quarters (72 per cent) of Canberrans believe that the city’s population should be no bigger than it is now. Of those, 64 per cent believe the current population of around 320,000 is about right while eight per cent believe it should be smaller.

A minority of 28 per cent say that Canberra is not big enough. When these respondents were asked how big Canberra’s population should be, a little more than half (52 per cent) said it should be less than 500,000.

The majority (59 per cent) believe that the quality of life would be harmed if Canberra’s population reached 500,000 or more, as advocated by some business groups. The most commonly given reasons were ‘environmental problems, like water shortages and pollution’ (78 per cent) and ‘traffic congestion’ (53 per cent). Around one third (32 per cent) believe that a larger population would result in more social problems such as crime, but only 28 per cent are worried about additional pressure for inappropriate development.

The debate about population in Canberra is bound to continue. The challenge posed by this survey is, as Clive Hamilton said, ‘whether the future of the city is to reflect the wishes of the citizens of Canberra or the financial interests of the development lobby’. ■

Exposing Arguments against ZPG

The Institute’s survey shows that the majority of Canberrans value the liveability and sustainability of the city. But what are some of the arguments commonly put for population growth?

1. The ageing population

The ageing population is a concern for governments right around Australia. Any population that stops growing will inevitably experience an ageing in its structure so unless the population of Canberra is to continue to grow forever – obviously an impossibility – the ‘problem’ of ageing must be managed at some point. Why not manage the transition now instead of waiting for environmental, planning and social problems to force the city to curtail its growth?

2. Economic growth depends on population growth

One of the most common mistakes of the growth argument is that economic expansion is in itself beneficial. Others believe that there are scale economies to be had from a larger population. In fact, the ACT economy, with its extraordinarily high concentrations of intellect-based, creative and educational industries is perhaps the local economy least dependent on economies of scale in Australia. There are no vehicle factories in the ACT.

One of the few valid economic arguments in favour of growth is the claim that a slowing growth rate would mean reductions in demand for housing and other construction. There is no doubt that the building industry benefits when it can cover more paddocks with roads, houses and shopping centres. On the other hand, a city with a stable population would continue to support a building industry; it would just be smaller and focused on enriching the existing built environment rather than increasing the sprawl.

3. Growth is good

The growth debate in Canberra is replete with meaningless assertions that go unchallenged. The Canberra Business Council has said ‘It’s about being competitive in a competitive market and not waiting for things to happen’. This sort of empty rhetoric gains currency by repetition but adds little to debates about optimal city size.

4. Canberra should be more cosmopolitan

This is an old argument about Canberran identity. It is also an opinion about how people in Canberra should live expressed by people who live elsewhere. For example, demographer Bernard Salt (from Melbourne) said Canberra needed to ‘sex itself up’ to attract younger people to the city and increase its population. It is plain this view does not represent the preferences of younger residents; our survey reveals that 63 per cent of 18-34 year-olds believe that Canberra’s population is about right or too big already.

Gross National Happiness in Bhutan

‘Gross National Happiness is more important than Gross Domestic Product’, said His Majesty Jigme Singye Wangchuck upon his ascension to the throne of Bhutan, a tiny Himalayan nation nestled between India and Chinese Tibet. Simeon Michaels recently visited Bhutan to investigate.



Research on human happiness shows that past a certain point, more wealth does not equal more happiness. We in the developed world, while experiencing levels of wealth unprecedented in human history, are simultaneously experiencing unprecedented rates of suicide, depression and loss of community.

In that context, Bhutan’s focus on Gross National Happiness (GNH) shows a rare willingness to re-think the paradigm of economic growth advocated, and often imposed, by the governments and institutions of the global north.

If more wealth does not lead to more happiness, then what does? In the words of Dasho Meghraj Gurung, it is ‘a vision that puts the individual’s self-cultivation at the center of the nation’s developmental goals, a primary priority for Bhutanese society as a whole as well as for the individual concerned’.

The crucial distinction made here is that the Bhutanese government is not attempting to make each of its citizens happy. Rather, it sees its role as providing the *conditions* for self-

fulfilment. According to a central tenet of Mahayana Buddhism known as the Middle Path, those conditions are a balance of spiritual and material well being, and a life of spiritual devotion in close harmony with the community and the environment.

Commencing in 1972, one of the key achievements of the architects of GNH has been the adaptation of this ancient Buddhist wisdom to modern political realities. The result is a modernized, operationalised, deliverable framework known as ‘The Four Pillars of GNH’:

- Economic self-sufficiency;
- Environmental preservation and enhancement;
- Cultural promotion; and
- Good governance, including honest government, decentralisation of power and democratisation.

As it progresses from a medieval kingdom to a modern nation, Bhutan has set itself the task of strengthening all four of these pillars, and ensuring that no decisions are made which will fortify one at the expense of the others. Following are examples of GNH-based decision making.

Hydro Power

With high annual rainfall and rivers plunging from the Himalaya almost to sea level, Bhutan has the capacity to generate over 30,000 MW of hydro-electricity. However, to realise this potential fully would require the damming of rivers, relocation of villages and loss of agricultural land, China’s three dams project being a case in point.

In balancing the GNH equation, Bhutan came down on the side of developing its hydro resources, but with an eco-compromise – employing run-of-river technology. Without storage capacity, run-of-river power stations suffer reduced output during the dry season. Power outages are staved off by demand management initiatives such as subsidizing energy-efficient light bulbs, but are still a regular occurrence. This may not be acceptable in Australia, but for Bhutan, the short term ‘unhappiness’ caused by a power outage is outweighed by the long term benefits.

What would an Australian version of GNH look like, and how would it change our lives?

In the wet season, Bhutan’s large electricity surplus is sold to India, providing Bhutan with 37 per cent of current annual government revenue, forecast to reach 50 per cent by 2006 – a well struck balance between environmental preservation and economic self-sufficiency.

Forest use and protection

With steep terrain, thin topsoil and slow growth rates, Bhutan’s forests do not recover quickly if clear-felled. Unlike hydro-power, when Bhutan weighed the economic benefits against the cultural

The Four Pillars of GNH

- **Economic self-sufficiency**
- **Environmental preservation and enhancement**
- **Cultural promotion**
- **Good governance, including honest government, decentralisation of power and democratisation.**

and environmental costs of forestry, GNH came down on the side of protecting forests from use as an income source.

Legislation now mandates that 60 per cent of Bhutan's land will remain forested for all time. Export of raw sawlog is prohibited outright. Industrial timber usage is also licensed and monitored, an example being the Gedu plywood factory which, despite initially generating employment and profits, was closed due to its unsustainable timber consumption. The government is supportive of craftsmen who produce low-volume, high-value carvings for export.

At a local level, steps have been taken to manage demand for timber. A strict quota system on firewood coupled with subsidies on metal roofing (replacing wooden shingles) electricity and efficient stoves is ensuring that community use of timber remains sustainable, even as population expands due to improved health services.

It seems that Bhutan, with a per capita GNP of US\$1,400 can 'afford' to protect 60 per cent of its forests while Australia, with an annual per capita GNP of US\$30,700 and only nine per cent coverage remaining (having cleared 58 per cent of original forest) cannot 'afford' to stop wood-chipping our remnant native forests.

Other illustrations of GNH based decisions include: construction of university campuses in remote areas to prevent rural depopulation; a high-value, low-volume (and very difficult to circumvent) tourism policy which requires a minimum expenditure of US\$200 per day; health programs run by monks in conjunction with doctors trained in western medicine; and exemplary use of foreign aid to retain debt-free ownership of national infrastructure.

Modernisation

In summary, the GNH framework has led to intelligent, balanced, creative and sustainable policy decisions for Bhutan.

More recently, Bhutan has begun to confront the dangers of modernisation. The immediate ramification of the introduction of television in 1999 was an increase in crime and violence. More insidious perhaps is the adoption of Western values by Bhutan's youth. This experience has led to Bhutan's emerging catch-cry: 'Modernisation, not Westernisation'. Indeed, securing the benefits of modernisation (roads, electricity, tractors) without also importing the cultural deficiencies of the West (consumerism, loss of community, MTV) is no easy task. It is hoped that GNH will rise to this challenge, and allow Bhutan to complete its process of wealth creation without losing its ecological, cultural and spiritual integrity. The West faces the same challenge through the other side of the looking glass.

Can other countries adopt the GNH framework to attain a balance of material and spiritual wellbeing? It might be argued that the concept of GNH is too uniquely Bhutanese to work anywhere else, that the values it embodies are too foreign to the Western mindset.

The counter argument is provided by Western scientific research. 'Happiness researchers' are almost unanimous in concluding that past the point of basic comfort, more money adds little to happiness. In fact, studies show that one of the major contributors to unhappiness is consumerism and its

never-ending cycle of acquisition, overwork, and discontent.

What does seem to lead to happiness is a sense of belonging and community, a focus on internal development, and devotion to a higher cause – values which are as conspicuously present in Bhutan as they are increasingly absent in Australia.

The success of GNH in Bhutan leads to a series of questions for Australia: Is it time to question the fundamental assumptions underlying our pursuit of economic growth? What would an Australian version of GNH look like, and how would our lives change if Australia joined Bhutan in giving equal quarter to economic, ecological, social and spiritual wellbeing?

Perhaps most tantalizingly, what opportunities does the coherent, appealing and test-driven platform of Gross National Happiness provide for Australia's political parties?

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The Australia Institute

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Institute notes

New Publications

Victoria's Greenhouse Policy: The Moment of Truth, Web Paper, May 2005

R. Denniss, *The Attitudes of Young People to the Environment*, Web Paper, May 2005

M. Flood and C. Barbato, *Off to Work: Commuting in Australia*, Discussion Paper No. 78, April 2005.

Forthcoming Publications

J. Fingleton, ed., *Privatising Land in the Pacific: A defence of customary tenures*, Discussion Paper No. 80, June 2005

P. N. Junankar, *Who is Better at Managing the Australian Economy: Labor or the Coalition?* Discussion Paper No. 79, June 2005

Who owns 4WDs?

Young people's attitudes to work and career



The Institute's Response to the 2005 Budget

"The 2005 budget is a missed opportunity. The Government has been spending like a drunken sailor and when it's not doing that it's robbing Peter to pay Paul. It's too little too late using too much stick and not enough carrot. At the end of the day, the budget is all smoke and mirrors."



Climate Change from page 8

Certainly, both carbon sinks and major improvements (far greater than five per cent) in the efficiency of *all* fossil fuel power stations will be essential, but in addition to, not instead of, reductions in the greenhouse-intensity of electricity generation. Approving 340 million tonnes of emissions just makes the starting point all the more difficult.

If the Victorian Government is unwilling to act on an issue as clear-cut as this and with such obvious alternatives, then perhaps its most useful contribution to the greenhouse issue would be to refrain from publishing more strategies, and at least leave some more carbon standing in the forests. ■

A more detailed paper is available under What's New on the Institute's website.

INSTITUTE NEWS

The cost of membership has remained unchanged since 2000 and regrettably the time has come to put prices up. Full membership will now cost \$88, memberships for libraries \$150 and concessional memberships \$44 per year. The criterion to qualify for concessional membership will be an income of less than \$30,000 per year. The new prices appear on the Membership Renewal Forms sent to members with this Newsletter.

The Institute has installed a facility on its website enabling orders to be made and paid for electronically via the site. Currently payment can only be made by credit card or cheque but further enhancements in the form of BPay and direct debits are due within a month or so and will be added as they become available. Links to use this facility can be found on the Publications and Membership pages of the website.