

## 6. Influences on a changed story and the new normal 1990s: values and beliefs

*[Prince Charles] has long called on people and politicians to rethink their attitudes to the planet, economic growth and consumption. Recently, however, government policy has become based on the notion that problems such as climate change are best addressed through science and technology—without compromising economic growth and consumerism.*

‘Greenie Charles worries Labour’, *The Australian*, 11 July 2009

*Environmental questions are inextricably intertwined with economic issues and, at base, are concerned with values rather than so-called ‘scientific facts’.*

David Mercer, *A question of balance—natural resources conflict issues in Australia*, 1991

To understand what happened in Australia in the 1990s, with its dramatic change of public narrative on climate change, it helps to explore the ideas that came with the opinion leaders who reset the narrative. This is important not least because the same influential ideas are back in the political driver seat with renewed vigour, having never really left since the mid-1990s.

In November 2013, just before a super typhoon, packing 315-kilometre-per-hour winds, ravaged the central Philippines with many thousands dead, cities flattened and the resulting hunger and desperation,<sup>1</sup> former Prime Minister John Howard told the world what he thought of climate science and the need for evidence-based policymaking. Howard led the Liberal Party and the country from 1996 to 2007. He was speaking at a meeting of the Global Warming Policy Foundation (GWPF), a UK gathering of climate ‘agnostics’ and ‘sceptics’.

He is reported to have said that ‘the high tide of public support for overzealous action on global warming has passed’ and that ‘I instinctively feel that some of the claims are exaggerated’ while also repeating the common sceptic thesis that climate scientists are just after public money by scaring the public about upcoming catastrophe (Hall 2013).

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<sup>1</sup> Scientists and journalists who follow the climate change story commented that no single typhoon or cyclone along with storm surge can be attributed to global warming and sea-level rise. However ‘scientists do have more confidence about what’s likely to come in the decades ahead if we can’t curb global warming: stronger tropical storms ... the typhoon’s strength could well be a sign of catastrophes to come’ (Walsh 2013).

In the breaking news story on this event, Fairfax London correspondent Nick Miller reported that Howard called climate change predictions 'alarmist' and linked his own position to economic management and growth, particularly in developing countries—which happens to benefit quarry Australia. Miller also revealed that Howard admitted the only book he had read on climate change was a 2008 tract by (Lord) Nigel Lawson, an avowed climate sceptic and GWPF founder (Miller 2013).

The Fairfax media had a bit of editorial cartoon fun with Howard's remarks linking the new administration of Prime Minister Tony Abbott to Howard's legacy and ideas:

'Oh Lord protect us from the zealotry of climate scientists ...' begins one cartoon by Wilcox in *The Canberra Times* of 10 November showing Howard, Abbott and environment minister Greg Hunt piously in the church pews.

The week before, Hunt declared that he would not attend the latest international climate change talks because he needed to be at home for the first parliamentary sitting whose top legislative agenda item was to undo the carbon price established by the previous Labor administration. The Abbott government in its first month in office also dismantled the country's Climate Commission of scientific advisers and proposed to defund a public finance corporation that lent to renewable energy projects and which, incidentally, was profitable, according to Hansard records.

Here was a timely reminder that Howard's science-free beliefs guided the public face of Australia's policy positions on climate change for more than a decade before he was defeated in 2007. In 2013, this set of beliefs was resurfacing strongly.

There's plenty of evidence, as I have shown in the previous chapter, that outside the halls of Canberra a wider campaign of confusion and doubt supported Howard's instincts. That campaign has continued since Howard was in government. Look no further than 2009 in the lead-up to the '15th conference of the parties to the UN Framework Convention on Climate Change (UNFCCC)' held in Copenhagen. Work by an international consortium of investigative journalists, including in Australia members of *The Sydney Morning Herald* staff, unveiled the continuing and highly funded public relations campaigns by multinational coal, aluminium, and electricity industries and, at times, related labour unions, to influence and deflect government action ('The global climate change lobby'). The lobbying story, even some of the players, were the same as previously documented and discussed looking back at the 1990s. The tactics were also familiar.

Familiar themes invoked a mental pathway where jobs and family 'us' would lose out should action on climate change involve any change from the energy system status quo; for example, employers would go offshore if their needs for cheap power were not met. This narrative has made the economic interests of multinational companies synonymous with the national interest and rhetorically with every family's interests.

With the link between the increasing risk of extreme weather events and global warming and climate change having been laid out time and again by the Intergovernmental Panel on Climate Change (IPCC) assessments, national academies of science and even some business sectors, such as the insurance industry, the ongoing denial that there might be a problem begs the question: have influential opinion-leaders behaved irrationally during the past 20-plus years and do they continue to do so? How can they deny the risk and subvert action faced with the overwhelming scientific evidence of outcomes that are more evident on the ground year by year?

While many observers believe that politicians and their advisers are unable to think past the current or next election cycle, thus being unable to respond to a long-term issue like climate change, there is more going on. Underlying the changed narrative are values and beliefs held by politicians and other influential opinion leaders that make their responses internally consistent, if not always 'rational' or understandable to the casual observer. These values and ideas dominated society at large during the 1990s and 2000s and thus came to seem 'normal'.

## Values guiding denial

The denial of environmental reality, what is happening in the natural world around a civilisation, is not a new phenomenon for the human species. Biogeographer Jared Diamond looked extensively at the collapse of previous civilisations and says that, more often than not, it has been the values and beliefs of societal elites more than any empirical on-ground evidence (frequently of changing climatic conditions) that has determined the fates of these civilisations (Diamond 2005).

The proposition that values guide much environmental policy development and communication takes the story beyond a saga of corporate self-interest from potential losers in energy sector reform. Instead we see that facing the climate sciences during the 1990s and since have been deep-seated ideologies that came to exercise a comprehensive grip on Australian society. The term hegemony would fit the cultural consensus that prevailed in Australia post 1996. (Italian political scientist Antonio Gramsci's influential theory of hegemony

postulates that in advanced industrial societies, one group or class can rule through dominating everyday ideas and practices, and this is done through information—for example, mass media and public relations, schooling, popular culture, and consumerism.)

Dominant ideas and values have built on a modern ‘no limits’ view of human capability versus the natural world. There are parallel beliefs in growth and progress as guiding principles in the organisation of society; plus related beliefs in the power of technology to fix all problems (a technocratic view of the world that has gone into overdrive since the ascendance of the internet in the early 1990s, spread by the many companies that have capitalised on its opportunities).

Also tapped are older, deeply embedded beliefs in human exceptionalism from the rest of the natural world. These unspoken beliefs are shared by opinion-makers and much of the public, and came together in the 1990s with a particular form of free market capitalism (economic rationalism) and its related economic assumptions. Together they reshaped the political and media responses to the scientific messages, and came to define the dominant narrative for the general public: what we all should believe.

## **Pioneering beliefs and techno fix**

Like other ‘pioneering’ Western democracies, such as the United States and Canada, Australia has long-standing beliefs that natural resources are there to be exploited and developed. Australia also enjoys a recent history that seems to prove (European) humans can always come up with a techno-fix solution. With this world view, people can believe ecosystems, plants, animals and natural resources, even nature itself, do not exist independently only as a store of matter and energy waiting for human transformation. ‘The most important natural relationship taken for granted by [this belief system] is a hierarchy in which humans (and in particular human minds) dominate everything else’ (Dryzek 1997: 50).

This is a hallmark of a secular techno-fix world view that has dominated since World War II. While not necessarily denying that natural systems exist in their own right, proponents of this view often subscribe to a ‘wise use’ philosophy to argue that not to exploit the planet is ‘wasteful’ and that adverse environmental effects are overstated by special interests such as ‘greenies’, who do not have jobs and the national interest at heart (Beder 2000; Dryzek 1997). The corollary idea is that humans will always find a technological solution to any environmental problem anyway and that ‘no-limits’ development is the natural order of human endeavour.

Traditional adherents to this philosophy have been the big mining and timber production companies, farmer and pastoralist organisations, professional engineering bodies and the like (supported by development-oriented State and Commonwealth governments) ... and rhetorical links with 'progress', 'national interest', 'wealth/job creation', 'development', 'growth', 'defence' and so on have frequently been made. (Mercer 1991: 41)

Monash University geographer David Mercer wrote the above from a historical perspective in 1991. At that time, in response to greenhouse risks outlined by scientists, a set of ethical values, based on the public interest and global responsibility, were guiding Commonwealth and most state policies, and were being communicated to the public. What happened in the 1990s is that a more traditional 'no-limits' view of humans versus nature and the sectors listed by Mercer appeared to reassert themselves, boosted by the economic ideas of neo-liberalism.

In Australia, regardless of the nominal differences between the major political parties, values have been shaped across the board by the colonial and pioneering experience based on vastly modifying the natural environment for agriculture and later quarrying for mineral wealth. This belief that Australia's economic and cultural destiny is to sell natural resources and be a (well-paid) quarry for the rest of the world sits comfortably with the 'no limits' and techno-fix narrative.

The problem that evolved was what to do with the conflicting idea of human-generated climate change due to burning fossil fuels when Australia became a world-leading coal exporter and domestic use was also running at full throttle. Denial and argument might then come naturally, accompanied by occasional rhetoric about bringing emissions down.

A wishful Australian techno-fix solution to this mental conflict has been 'clean coal' or carbon capture and storage (CCS) in the coal-burning cycle. There has been little scientific evidence that CCS will do what it is supposed to do, but government rhetoric often proclaims otherwise. So far, the focus on clean coal has been a matter of belief rather than evidence. Atmospheric and earth scientists have offered no such techno-fix in any timeframe that matters to current emission statistics.

The environmental movement itself often subscribes to a techno-fix world view. A 2005 interview study with 25 of the top leaders of US environmental organisations found a biological systems approach lacking in environmental policy and concluded:

Thinking of the environment as a 'thing' has had enormous implications for how environmentalists conduct their politics ... (which) hasn't changed in 40 years. First, define a problem (e.g. global warming) as

environmental. Second craft a technical remedy (e.g., cap and trade [in Australia, emissions trading]). Third, sell the technical proposal ... through a variety of tactics such as lobbying, third party allies, research reports, advertising and public relations. (Shellenberger & Nordhaus 2005: 4)

These authors argue that even a reliance on individual choice for LED lightbulbs or hybrid cars reflects this same techno-fix mindset—if only we have enough technical solutions understood by the public, this problem will be solved. They also identify reasons why environmentalist organisations could be as easily marginalised as they were in Australia in the 1990s. They suggest a narrow tactical focus and lack of effective coalitions with other societal interests (e.g., labour unions, or animal welfare organisations, or church groups), have not helped. The internal ‘group think’ encourages the broader society to consider the environment to be separate from mainstream concerns.

## **Progress myth and human exceptionalism: Beliefs that trump science**

In Western democracies with Western Christian values, it is telling that the following view is hardly considered unusual. In a 2004 opinion piece, syndicated columnist Angela Shanahan, who doesn't hide that she is a practising Christian, slammed those citizens who would protect Australian wildlife against lethal state government programs. She called such people ‘extreme greenies’, with ‘unreal’, ‘Mickey Mouse’, ‘anthropomorphic’ world views that deny there is ‘such a thing as a hierarchy of living things’ (Shanahan 2004).

A mythology that humans are exceptional, top of the hierarchy, and not subject to the ‘laws of nature’ governing other animals, underlies much of Western thinking and stems from Christian teachings. Arm-in-arm with exceptionalism is the always forward-looking, linear mythology of ‘progress’ and human betterment. Historical philosopher Ronald Wright wrote about belief in progress as cultural myth: ‘Myth is an arrangement of the past, whether real or imagined, in patterns that reinforce a culture’s deepest values and aspirations ... Myths are so fraught with meaning that we live and die by them’ (Wright 2004 4).

Historian Lynn White Jr, in his ground-breaking essay ‘The historical roots of our ecologic crisis’, which was published in *Science* in 1967, argues that the fundamental religious myth of humans as exceptional is both most pervasive and most internalised in Western culture. ‘What people do about their ecology

depends on what they think about themselves in relation to the things around them. Human ecology is deeply conditioned by beliefs about our nature and destiny—that is, by religion’ (White 1967: 1205).<sup>2</sup>

White wrote that, in its Western form, as distinct from the more contemplative Eastern Orthodox church, Christianity is the most anthropocentric (human-focused) religion the world has seen. It has a world view that denies the existence of any spiritual qualities (the soul and similar concepts) in other species. From there extends an assumed exceptionalism to the laws and needs of the natural world that brings many people into conflict with environmental science or ecological knowledge. ‘Christianity ... not only established a dualism of man and nature, but also insisted that it is God’s will that man exploit nature for his proper ends’ (White 1967: 1205).

White also identifies the ‘progress myth’, saying Western (Judeo-Christian) cultural activities are dominated by an implicit faith in perpetual progress, which was unknown either to Greco-Roman antiquity or to the Orient. In fact, Marxism, which is superficially anti-religious, is provocatively called a Judeo-Christian heresy in this analysis, due to its beliefs, along with capitalism, in the guiding myth of perpetual progress. Forty years ago, when environmental studies were starting in earnest, White predicted that ecological crises will worsen as long as people, including many scientists, retain these unexamined basic assumptions and myths.

It’s easy to overlook that Western science and technology were born from the desire to understand God’s works and that, when this desire merged with the Industrial Revolution in the 19th century, it allowed ever greater exploitation of natural resources—believed to have been put there by God for man’s benefit. Science historian and physicist Spencer Weart, while giving a detailed account of the scientific discovery of global warming, concludes that beliefs, including religious beliefs, will guide future climate change because they guide how we deal with our environment in an age when humans are altering planetary systems (Weart 2004).

There is an intellectual kinship between Christian beliefs in the exceptional nature of humans on the planet and the more secular progress, ‘no limits’, views of human activity and impact. Armed with these various beliefs of limitless possibility, it may seem rational to dismiss a precautionary, risk-management response to scientific assessment of climate change—and to the population growth that implicitly drives more greenhouse gas emissions. Leading agenda-

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2 White wrote in 1967, in the context of human impact on the planet, ‘our present combustion of fossil fuels threatens to change the chemistry of the globe’s atmosphere as a whole with consequences which we are only beginning to guess’ (White 1967: 1203). Another piece of evidence for the general knowledge about climate change that existed decades ago.

setters in politics, the media, and business can appear to believe (demonstrated by what they say and do) that what is happening to the natural world will not affect human culture. For similar reasoning, such beliefs could encourage a person to deny or dispute that there are global warming impacts and links to extreme weather events.

The websites of organisations like the Lavoisier Group, or the environmental arm of the Institute of Public Affairs (IPA), and other free market Australian think tanks reveal such contrarian thinking. In a revealing 2004 article on the activities of the anti-climate science Lavoisier Group, *The Age* journalist Melissa Fyfe characterised those at a meeting of 50 men (only one woman) in Melbourne as follows: 'Some of them were scientists. But many were engineers and retired captains of industry. Presiding was Hugh Morgan, president of the Business Council of Australia and former Western Mining boss. The master of ceremonies was retired Labor politician Peter Walsh' (Fyfe 2004: 1). To the extent that 'no limits' beliefs and values seem natural to these institutions and professions, their opposition to accepting climate change science is more understandable.

## **Ecological limits: Understood since the 1960s and accepted until the late 1980s**

Opposing the 'no limits' view is a belief in ecological limits and limits to the carrying capacity of the planet, and indeed the realisation and scientific evidence (including DNA analysis) that humans are one among many evolved species and, in many ways, not so exceptional.

This understanding was well developed during the first wave of global environmentalism starting in the 1960s. The understanding of limits was popularised by the global think tank Club of Rome reports in the 1970s and the works of biologists Paul and Anne Ehrlich, and Lester Brown of the Worldwatch Institute, and many biological and other scientists in the past 30–40 years. The understanding of limits still informed the climate change narrative in the late 1980s, as the documentary evidence shows.

E.O. Wilson, Harvard ecologist and a leading theorist on the interaction of humans with the natural world, has observed that human beliefs about our prospects on the planet now fall into two categories: human exceptionalism and environmentalism. Environmentalism here defines humans as a biological species tightly dependent on the natural world, compared to feeling freed from the biophysical constraints of the planet by transcendent intelligence and

technological prowess. Humans' conflicted views on their own skyrocketing population numbers is a related example of exceptionalist thinking (Wilson 2005).

Wilson noted that the short-termism that marks not only politicians, but also the species in general when faced with anything other than self, family, or tribe, may have had an evolutionary advantage over the two million years that modern humans evolved, where life was mostly precarious, short and unpredictable. Evolutionary biologists have noted that modern humans bring a Palaeolithic hardwire to runaway technical success.

It can be argued that the late 1980s upsurge in multinational, energy-intensive industries, such as aluminium and mining in Australia, encouraged a strong return to the traditional, no-limits and exceptional way of viewing humans versus the natural environment and Australia versus the rest of the world. Certainly the mental gymnastics involved with promoting all-out coal production while giving lip service to climate change action would indicate that the thinking has been 'rising emissions will not affect us'. These beliefs merged smoothly with a defining economic system that gathered steam and reached its height in the 1990s led by a new breed of economist.

## **Rise of the economists and fall of the public sector**

The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas. (John Maynard Keynes, 1936: 383)

In the last 20 years, the public record indicates that beliefs in the wisdom of technology and underlying exceptionalism values, married to economic dogma, have exerted far more influence on policy and communication than scientific evidence. A federal and state policy adviser during the 1990s observed in an interview: 'The biggest barrier (to effective greenhouse action) is the intellectual mindset of economists and their belief systems about whether government should be a player in changing the economy'.

Frank Muller called those who advised government based on these beliefs ‘econocrats’. In econocrat thinking, following neo-classical economics, governments should not regulate or interfere in markets because all efficiencies are already in the system. So, requiring energy efficiency measures, for example, constitutes unwarranted interference in the relevant industries and markets.

Comparing his Washington D.C. experience during the administration of President Bill Clinton in the mid-2000s to an ongoing situation in Australia, Muller said:

In Canberra we have not had the countervailing science influence to the econocrats. There are not people presenting the story to the decision-makers that ‘we can do something’ about (climate change) right now. So the denial in government policy circles is real ... their experts are telling them they don’t have to deal with it right now.

The free market ideas that inspired not only Australian policymakers in the 1990s, but the English-speaking Western democracies in general, were a revision of neo-classical liberal economic theories, known as ‘economic rationalism’ in Australia. (Thatcherism, Reaganomics, and the Washington Consensus are other labels on the neo-liberal theme). This set of economic assumptions, beliefs, and values was gathering steam in the 1980s, and came to govern Australian public policy and national conversations as the 1990s progressed—hegemony in action.

## **Trading an ethical, responsible world view for economic self-interest**

The previous ‘ethical’ understanding of climate change risk (stressing the public interest, intergenerational equity, inter-country responsibilities, etc.), was replaced by a world view promoting economic self-interest as the dominant value. The public was encouraged to focus on its consumer rights while citizen responsibility took a back seat.

This shift away from moral values and responsibilities was highlighted in a surprising press release that appeared in November 2006. Heralded as a world-first event, 16 Australian religious denominations spanning all faiths, issued a joint statement regarding the need to value the planet and life. Skirting national and religious exceptionalism, concern about climate change was described as a core matter of faith and morality.

The release said that politicians will be held accountable to ‘do something’ about addressing climate change. ‘It’s not just about the price of coal, or about whether we can’t do anything ... it’s absolutely important that such a

large issue ... is reflected in our own moral beliefs, whatever faith they are, when you're confronted by the nature of this kind of challenge' (Crittenden 2006). An umbrella movement called green Christianity does, as in some other religions, view the natural world as one of kinship and humanity's role as one of stewardship, rather than a relationship of domination and exploitation.

Following the 2006 statement, the Australian Religious Response to Climate Change (ARRCC) network was established in 2008 to provide educational and campaign resources to faith communities to respond to climate change and lead by example with environmentally sustainable practices. In 2014 members of the ARRCC were being arrested in protests against a proposed coalmine in the Leard State Forest in northern New South Wales.

The religious challenge, similar to that of others interested in safeguarding the natural environment from carbon pollution and other negative changes, is reacting in part to the demise of the traditional concept of 'public interest' under economic rationalism and the loss of ethically based policies for climate change action.

A change in the perception of what constitutes the public interest and the validity of government action on behalf of the public versus private sector interests was closely connected with the ideas popularised by a new generation of economists. Some 50,000 graduated between 1947 and 1986 according to social scientist Michael Pusey, who published a definitive study of the Canberra bureaucracy in 1991.

These graduates brought both neo-liberal economic ideology and a narrow technocratic training to the policy arena. This was in comparison to a broadly humanistic training, 'liberal' in another sense, which was common before World War II. Contemporary economic specialisation: 'almost invariably excluded any broadening study of philosophy, sociology or the history of ideas' (Pusey 1991: 172). (This is true also for the study of other technical and scientific specialisations by the 1980s and 1990s.)

A neo-liberal or neo-classical, economic rationalist world view assumes that individuals and businesses, given the freedom to choose, will rationally choose to maximise gain and profit, and everything else flows from that. The new narrative, amplified by the media as politicians and think tanks talked this language, stopped discussing risk, equity, and the public interest in regard to climate change, and instead focused on costs and the dollar bottom line to consumers and business. This was framed for public consumption as the proper concern for jobs, family, and national interest—that is the mainstream interest.

In practice, economic rationalist thought and policies (including national competition policy) quickly dispensed with ambitious state plans for energy

efficiency measures, renewable energy and fuel substitution that were developed before 1992. The dominant narrative changed to assign unattractive costs to efficiency and renewables (compared to conventional generation of 'cheap' electricity) on the theory that the energy market is already at maximum efficiency.

Of course the computer models that underpinned these changes are only as useful as their baseline assumptions. Economic rationalist models reached their cost assessments while discounting some factors. They did not, for example, factor in the cost to society of large government subsidies supporting mining and coal-fired electricity. They also ignored 'externalities'—the costs of production that can be shunted outside the corporation or producer, including the cost of environmental consequences such as emission of greenhouse gases. Economic rationalist modelling also appeared not to give equal weight to any potential *benefits* arising from renewables or efficiency over time (Industry Commission 1991).

## The lessons of economics

Universities have been the incubators of changing economic theory, including economic rationalism in Australia, during the past 40 years. The lessons taught as basic economics have influenced a generation of bureaucrats, politicians, and policy advisers.<sup>3</sup> Relatively little attention, however, has been paid to what is actually taught to impressionable young minds.

American journalist Christopher Hayes spent an academic quarter auditing 'Principles of macroeconomics' at the University of Chicago and provided a snapshot of the material that was taught in the course. Efficiency is the defining value of the Chicago School of Economics (home base for the late Milton Friedman's version of neo-classical or neo-liberal economics, which resonated in Australia), and is still the basis for instruction. 'Too much' government (regulation or public ownership of assets or services) causes inefficient economies in the overall quest for capital growth (Hayes 2006).

The international capital market is seen as the primary regulator of a society, and that view continues to prevail despite the global financial crisis of 2008. The conversion of natural and human resources into capital growth will raise everyone's standard of living, domestically and globally, without government regulation. With 'no limits' and 'endless growth' forming an embedded part of this thinking, questions of sustainability have not applied.

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<sup>3</sup> Jones (2002) noted that The Australian National University School of Economics was prominent in producing the home-grown neo-liberal theorists and free trade economists who advised Labor and Coalition governments from the 1980s on.

This version of economics is called neo-classical because the injunction to ‘specialise and trade’ harks back to Scottish political economist and philosopher Adam Smith’s 18th century insights about ‘comparative advantage’ and what creates the ‘wealth of nations’. John Howard regularly invoked ‘our comparative advantage’ of exporting fossil fuels when defending Australia’s limited actions to lower emissions.

In this economic universe, normative models are transformed into reality. Translated that means: arguments about the way the world *should be* are converted into assertions about how the world actually is, without the need for empirical data or evidence (in ‘econ speak’, converting normative arguments to positive statements). Thus, ‘people cannot disagree with neo-classical economics, they can only fail to understand it’ (Hayes 2006: 28).

This version of economics presents itself as a value-neutral description of how the world is: therefore students do not perceive they are learning an ideology. (In a similar fashion, Keynesian regulated capitalism enjoyed a consensus of ‘this is the way the world is’ before and after World War II—until the early 1970s.)

Hayes learned that theory is demonstrated through economic modelling—simple supply and demand at the level of tertiary education—and is taught regardless of real-world empirical studies that indicate the facts can be otherwise. Hayes also witnessed the use of contrarian, sceptical positioning as a tactic to skewer opposing points of view, institutions or consensus. This is familiar territory in the successful deployment of contrarian debate in the public discussion on climate change.

## The defining characteristics of present-day economics

At The Australian National University Centre for Resource and Environmental Studies, economist Jack Pezzey told students at a 2006 seminar that ‘economics is a mind-set’ and that several relevant defining characteristics of the discipline of economics as we now accept it are (my italics):

- Anthropocentricity—there is no value unless it is related to human notions of value; thus environment is seen as an ‘amenity’ or ‘input’
- consumer sovereignty—the neo-classical view is that economics *reflects* people’s preferences, rather than shaping them (*even though people’s preferences are always shaped by the culture around them*).
- non-satiation—the notion that people or firms always prefer more ‘well being’ (*translated as profit*), rather than less

- aggregation—the focus on average or total variables, not their distribution, which is the province of politics
- finite trade-offs—nothing is beyond price
- discounting—means that future costs and benefits are always worth less than today's. (*Thus, economically, climate change happening in 30, 50, or 100 years time is uninteresting*).

The gold standard of neo-classical economics is the marginal cost of supply, which has led to the demand for 'no regrets' solutions to climate change, meaning there should be no increased cost to the economy or individuals. 'No regrets' has since become bureaucratic jargon applied to various transactions, usually with minimal understanding by an outsider of what the term means.

There are alternative schools of economic thought; for example, ecological economics rejects many of the key concepts of neo-classical economics and its 'no-limits' assumptions, and can pose deeper philosophical challenges to the anthropocentric value system.

## Where did this thinking come from?

English historian Richard Cockett has traced the current thinking of neo-classical free enterprise to the so-called Austrian School at the London School of Economics. Led by Friedrich Hayek, Karl Popper and Lionel Robbins, this school began criticising the then prevalent Keynesian economics of regulated and 'welfare capitalism', starting in the 1940s.

Friedman and his colleagues of the Chicago School at the University of Chicago were influenced by the English economists and proposed similar radical remedies starting in the 1950s—to end regulation of economies and to minimise the state/public sector. Friedman was later to have direct influence in Australia through his thoughts on globalisation and capital markets, which were taken up by both major Australian political parties, and as a speaker invited by think tanks (Klein 2007). These theories and thinkers started their global influence with biannual international meetings at Mont Pelerin in Switzerland; these meetings were the origins of the Mont Pelerin Society that provides an international network to this day (Murray & Pacheco 2000).

## A myth to live by

Economic rationalist theorists decreased the role of government support and industry protection while opening Australia more to international financial

markets: moves that were supported by both major political parties. The enthusiasm for 'free trade' and 'free markets', and the underlying assumptions of neo-classical economics, was accepted as early as the 1970s in Gough Whitlam's Labor Party and was reconciled, more or less, by successive governments with Australia's industrial relations framework, environmental regulation and other forms of social good up until the 1990s.

While recent history shows that economic rationalist restructuring of the economy has combined with international market demand in Asia generally and China specifically to produce a period of increased national affluence, the ideology has also attracted critics of its underlying assumptions in a longer term context. Political economist Evan Jones characterises the evolution of economic rationalism into the dominant way of looking at the world as opportunistic and neither coherent nor logical, but rather a convenient 'myth to live by' driven by belief rather than a background of empirical evidence. He suggests that 'the universalism of the solutions is a clear indication of their religious character: ideology has rushed in to fill the vacuum left by the poverty of analysis' (Jones 2002: 57).

Nobel Prize-winning US economist Joseph Stiglitz reportedly voiced a similar critique saying neo-liberal theories can best be understood as another belief and values system, rather than being based on empirical facts. The dominance of the neoclassical model is 'a triumph of ideology over science' (Hayes 2006: 27).

## Politics as battle of ideas

*In the end, politics is a battle of ideas and a battle of commitment.*

John Howard, 2002

Economic rationalism finds its historical place within a 'battle of ideas' that has been waged simultaneously with the environmental movement's rise in the late 1960s and 1970s. Parts of the ideological underpinnings stem from 19th and 20th century 'wise use' philosophy. Wise use and its variants developed in pioneer countries like the United States and Australia where influential elites were also against government regulation in general and particularly if applied on behalf of the natural environment (Ehrlich & Ehrlich 1998). In this value system rights include the individual's right to derive wealth from nature. Wise-use thus also links to previously noted religious thinking of human domination over nature. These beliefs easily convert to anti-environmentalism and exceptionalist arguments.

Free enterprise, individual property rights and ‘wise use’ were philosophical cornerstones of Reaganomics or supply-side economics in the United States, Thatcherism in the United Kingdom, and economic rationalism in Australia. Deregulation and competition policy have been other cornerstones leading to privatisation of public assets, including electricity generators, as well as an all-out commitment to ‘free trade’ by both major Australian political parties (‘Labor in power’ 2010; Sturgess & Torrens 2009).

Before looking more closely at how competition policy affected the climate change story, it’s worth asking how these ideas, building on underlying beliefs and values, became part of the communication mainstream and were embedded in Australian institutions and in society at large.

## Think tanks supplied the ammunition

Right-wing or pro-market think tanks have generated much of the rhetorical ammunition for neo-liberal policy. They have enjoyed considerable influence in Western English-speaking countries in the past 30 years—specifically in the United States, United Kingdom, Canada and Australia,<sup>4</sup> with the understanding that changing the dominant narrative was the pathway to success.

‘Like other movements, the main impact of the radical neo-liberals was not direct policy influence but broader discursive shifts ... demonising and disorganising opponents of neo-liberalism’ (Cahill 2004: 24). Tactical advice, high-profile speakers and organisational liaison between countries has been common. ‘Because of this, the ideas of Friedrich Hayek, Public Choice Theory, Milton Friedman and developments in neo-liberal theory and neo-liberal policy alternatives have been disseminated in Australia’ (Cahill 2004: 8–9).

Think tanks are non-government policy centres funded by corporations, private money and the taxpayer. They have overtaken more informal networks (the club, the school or university, the corporation) as vehicles for ideological battle. They have adopted the trappings of academic and scientific research—the conference, lecture, and journal. Their thinkers are able to be far more definite and far less constrained by peer review on issues like climate change than the scientific convention dictate. They publish the writings of sceptical scientists,

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<sup>4</sup> Cahill, following the seminal work of Cockett in the mid-1990s, documents how overseas think tanks influenced neo-liberal thinking in Australia and the establishment of Australian think tanks: ‘Radical neo-liberal organisations such as America’s Heritage Foundation, Britain’s Institute for Economic Affairs (IEA) and international networks such as the Mont Pelerin Society and the Atlas Foundation served as examples for the Australian movement to emulate’ (2004: 8).

which are seldom peer reviewed or their authors questioned on their relevant expertise (Cahill & Beder 2005; Jacques, Dunlap & Freeman 2008; Murray & Pacheco 2000).

The fossil fuel industry-supported IPA is the oldest and probably best known of the Australian free market, neo-liberal think tanks and has long been associated with the Liberal Party in executive roles. IPA Executive Director John Roskam has worked for both the government of Jeff Kennett in Victoria and the Howard federal government in the 1990s. Policy positions advocate privatisation and deregulation; limiting the role of unions and non-government organisations on policy and contesting the science and policy initiatives involved with environmental issues such as climate change.

Its environmental arm has been active in communication and, during the 1990s and since, it has attacked climate science in books and articles by sceptic academics, such as geologists Ian Plimer and Bob Carter, former bureau meteorologist William Kininmonth and former CSIRO division head Brian Tucker.

'Doubting Australia: the roots of Australia's climate denial' is a document compiled by Australian non-government climate action groups with assistance from sourcewatch (a collaborative watchdog wiki directed by the US Center for Media and Democracy that produces documented information on policy-oriented think tanks and their activities). It credits the IPA as being 'at the heart of climate denial in Australia' since the early 1990s when it started inviting US sceptics to this country. Links to US and UK think tanks (including wise-use philosophers) strengthened after 1996 with well-publicised sceptical events (including with (Lord) Nigel Lawson's foundation where Howard spoke in November 2013) ('Doubting Australia' 2010).

According to 'Doubting Australia' (which offers 118 links to source documents for its exposé of think tank connections to climate change denial in Australia since the mid-1990s) the IPA's support for sceptical geologist and mining company director Plimer and his 2009 book *Heaven and Earth*, which argues that global warming is not happening, has been very effective communication. The book reportedly sold more than 40,000 copies in Australia and it was supported not only by the Murdoch press, but reportedly defended by the Australian Broadcasting Corporation (ABC) as a legitimate balancing voice on climate science, despite Plimer's lack of scientific credentials in that area and the factual mistakes that critics found in his book.

Plimer's book impressed then Opposition front bencher Tony Abbott, who was quoted in a 2009 ABC *Four Corners* program on the proposed emissions trading scheme in the following terms: 'I think that in response to the IPCC alarmist—ah

in inverted commas—view, there've been quite a lot of other reputable scientific voices. Now not everyone agrees with Ian Plimer's position but he is a highly credible scientist and he has written what seems like a very well argued book refuting most of the claims of the climate catastrophists.' The program provides direct testimony from Liberal and National Party politicians, now in power, of their divided or negative views on climate change science and action (ABC 2009).

Plimer toured Australia for his book with entertaining but science-free UK climate sceptic (Lord) Christopher Monckton, claiming an emissions trading scheme would damage the mining industry with irrational demands. He also has signed international documents attacking the premises of mainstream climate science. This included an international petition by retired geologists, meteorologists (including Kininmonth) and others to Canadian Prime Minister Stephen Harper urging him to dismiss emission reduction proposals as the "'catastrophist" fabrication of environmental groups' (*Providing insight into climate change*).

In the run-up to the 2013 federal election, Abbott was publicly associating with the IPA, most notably responding to its radical policy wish list with a rhetorical 'big fat yes'. The list started with 'repeal the carbon tax', abolish the Department of Climate Change and abolish the 'clean energy fund'. At the time he also attended a well-publicised IPA birthday dinner with much mutual backslapping with mining billionaire Gina Rinehart and News Limited owner Rupert Murdoch, whose newspapers pulled out all the stops to elect Abbott and his party.

The Tasman Institute, established by former Monash University economics lecturer Michael Porter in 1990, like the older IPA, adheres to economic rationalist theories and positions, with direct and indirect relevance to climate change policy development. The Institute's 1995 annual review revealed a 'who's who' of Australian resource industries among the 21 corporate members and its flagship project at that time was called 'Markets and the environment'. Its focus was issues affecting investment in Australia's resource-based industries (Maddox 2005). The Tasman Institute was amongst the first to criticise Australia's proposed climate change response strategy (*Economics and the environment* 1990).

Think tank influence was overt in the case of Project Victoria in the early 1990s with a market-forces deregulation blueprint produced by the Tasman Institute and the IPA accompanying the new Liberal government under Kennett in 1992, which put a stop to ambitious state plans for energy efficiency in domestic and commercial sectors and the state electricity commission plans to decrease consumer demand (Cahill & Beder 2005).

Other influential Australian think tanks with similar economic orientation are the Committee for Economic Development of Australia (CEDA), the Centre for Independent Studies (CIS) and the Business Council of Australia (BCA) (Murray & Pacheco 2000). The CIS started in 1976 in the garage of then high school maths teacher Greg Lindsay, going from rags to riches thanks to corporate sponsorship from Western Mining's Hugh Morgan among others. CIS linked economic rationalism with social conservatism under Christian and family values icons. Researchers have called it a favoured brain trust for not only Rupert Murdoch, but also John Howard during his tenure as prime minister (Maddox 2005).

During the 1990s, the BCA's president Hugh Morgan and his associate from the mining industry, Ray Evans, featured prominently in reports on the development of not only the Tasman Institute and CIS, but also other pro-market, socially conservative, Christian values and scientifically contrarian think tanks in Australia (Hamilton 2006; Maddox 2005). That list includes the Lavoisier Group, established in 2000 specifically to counteract climate change science, with Morgan as the first president and Evans as secretary (Lavoisier Group).

Speaking at the 50th anniversary of the conservative journal *Quadrant*, Howard was candid about the 'war of ideas' that must be fought. He reportedly named Ronald Reagan, Margaret Thatcher, and Pope John Paul II as the 'towering figures' of the late 20th century for their moral clarity and ideological opposition to all collectivist thinking as 'stultifying orthodoxies and dangerous utopias.' He spoke of the historical battle of ideas for Western civilisation and 'the essential connection of personal, political and economic freedom' (Schubert 2006).

With think tanks delivering a steady stream of reports and ideas to politicians and to like-minded media editors, particularly in the Murdoch press, economic rationalist beliefs couched as 'the economy' came to dominate public discussion and thinking (which is a good working example of hegemony) by the mid-1990s and particularly thereafter. But already with Labor under the Hawke government at the turn of the decade, a dominant pattern had been evolving around market economic thinking. 'Ministers and their top staff see the world very much as male age-mates through a shared and restricted formative training in economics' (Pusey 1991: 8).

## **The 'public interest' becomes the corporate interest**

Championing the neo-liberal agenda 'Australia's foreign-owned media, the New Right think tanks and research centres ... have had an enormous success in penetrating the Canberra apparatus, and [also] international economic

organisations such as the World Bank and the OECD' (Pusey 1991: 13). This economic set of ideas was extended to the administration of semi-independent organisations, such as the CSIRO, as they were corporatised and directed to serve industry. The economic rationalist world view increasingly painted the public interest as indistinguishable from that of large extractive industries.

Federal and state bureaucracies realigned their thinking according to the new economic orthodoxy. In terms of climate change response, they came to downplay the benefits of the easiest response—energy efficiency strategies. Since the economic rationalist view was that markets are, by definition, ultimately efficient, the conclusion was that mandating, for example, efficient commercial or industrial facilities or household appliances must add costs and 'intervene' in markets unnecessarily. The net effect was 'industry capture', which made progress on greenhouse policy extremely difficult (Hamilton 2001: 33).

Environmental consultant and RMIT academic Alan Pears worked in the area of energy conservation and efficiency in Victoria from the 1980s on. He saw the changes that economic ideology wrought and he noted that, in 1994, the federal Treasury Department of Paul Keating's Labor government released a document bowing to a 'perfect market structure' and a focus on unfettered competition.

The capture of the bureaucracy, policy advisers and major institutions and its effect on climate change policy was investigated further in the mid-2000s by political scientist Guy Pearse. He documented a significant revolving door between industry lobbyists for (often transnational) corporations extracting Australia's mineral, soil and water resources; the federal bureaucracy; and ministerial advisers. The agenda-setters shared an economic and cultural ideology, 'a group think' which allowed them to work together inside or outside government.

Previous messages about risk and the need to lower greenhouse gas emissions from fossil fuel use threatened an economic blueprint that, in greenhouse risk analyses, is called 'business as usual' or retaining the status quo. Those messages of risk and proposals for a different energy economy had to be contained and neutralised, a strategy pursued by the revolving door corporate activists and advisers (Pearse 2007).

## **Radical belief change from social democracy since World War II**

It is hard to overestimate the impact of these beliefs on what Australians came to view as normal or reality by 2000. Economic rationalism in Australia, a revival

of the English and American free enterprise tradition, had a seismic effect on the values of social democracy characterising Australia for much of the 20th century. Economic regulation in the public interest, (now called 'intervention') along with associations organised for community or environmental benefit to society, would come under increasing attack as being against the economic wisdom and mainstream society.

The mainstream was framed as individual, self-interested working consumers focused on the domestic sphere. The information-fragmenting possibilities of the internet and new media have, arguably, cemented this view of society.

A return to free enterprise, minimal government and libertarian theories are said to re-emerge with the needs of capital (Cahill 2004). The current incarnation was spurred by a slowdown of economic activity in the 1970s following two decades of prosperity after World War II that flourished under Keynesian welfare capitalism. That model of capitalism also promoted mass markets, citizens becoming consumers, and also fed expectations of endless growth while science and technology boomed. John Maynard Keynes's economic blueprint, however, approved of managing consumer demand (upward and downward) and industry regulation to benefit employment and social goals.

Such policies eventually benefitted environmental protection as well, as the first wave of environmental awareness in the 1970s demonstrated. The period after World War II was also characterised by unprecedented support by governments (both capitalist and communist) for science. Technological advances fuelled both the postwar production and consumption boom, and also set up a belief system in the 'techno-fix' for all problems facing society.

Until the 1990s, a social democratic political approach remained strong in Australia in part as an 'accord' between capital and labour. A more inclusive approach to decision-making, including scientists and environmental organisations, was a hallmark of the late 1980s, along with the occurrence of political bi-partisanship for the public interest. The ecologically sustainable development (ESD) workshops were a peak example of this inclusive, mainstream approach.

## **Climate change communication left with persuading individual consumers**

The success of economic rationalist ideas in Australia may have been hastened by the recession of the early 1990s, following similar overhauls in the United States (Reaganomics), and in the United Kingdom under Thatcher in the

previous decade. This world view also normalised the goal that societal relations with 'the market' had to be voluntary and by choice. That left climate change communication the challenge of persuading citizens to go beyond a manufactured debate and do the right thing. Paralysis was the more likely outcome, seen again in the recent policy fight over carbon pricing—couched as an impost to the citizen's hip pocket—as if a whole range of responses are not in fact called for.

The individual's prerogative to believe or reject scientific findings flourished in an arena where political leadership had come to mainly express doubt or ignorance and where economic theory emphasised the right to choose for individuals now framed exclusively as consumers or sole traders in a market society. That way of looking at social reality downplayed concepts of community and the public interest and was matched by the downgrading of non-government organisations in the political arena, in line with the thinking of the IPA and other think tanks.

'A disinclination to deal with groups has been reinforced in the major parties by the fashionable theology of public choice theory. This has cast interest groups as selfish and self-serving, and has disputed their representational legitimacy' (Marsh 2005: 222). In this environment, the combined agenda-setting capacity of business lobbyists, politicians and the media encountered little opposition to resetting the climate change narrative during the mid- to late 1990s. Political researchers of this period have documented the 'elites only' decision-making on greenhouse policy of the Howard government after 1996: conferring in serious fashion almost exclusively with corporate leaders of the resource extraction and energy sectors (Hamilton 2006; Pearse 2007).

## **Belief in 'growth is everything'**

In countries dominated by market economics, growth remained the central political objective. US political scientists William Ophuls and Stephen Boyan wrote in 1998: 'Growth is the secular religion of American society, providing a social goal, a basis for political solidarity and a source of individual motivation' (Ophuls & Boyan 1998: 187).

They noted that American politics is a record of a 'more or less amicable squabble over the division of spoils of a growing economy' (Ophuls & Boyan 1998: 187). Even a superficial review of 1990s, and more recent, Australian political economics and culture, exposes the same unexamined, cultural mythology of growth and material consumption underpinning society's wellbeing and prosperity. This thinking governed default responses to the call for climate change action. For example:

US President George W. Bush and Australian Prime Minister John Howard have concluded their bilateral talks in Hanoi, Vietnam, confirming their stance on climate change ... 'We don't believe that Kyoto is the answer' [Mr Howard] said. 'We can have a debate about the severity of the problem, but there is really no debate about the desirability of responding to it, provided we do it in a way that maintains economic growth in our societies and the world.' ('Howard firm on opposition to Kyoto' 2005)

Events since World War II seem to have justified this scientifically flawed belief in endless growth—we see prosperity increased, populations booming, ever more resource extraction worldwide, and human mortality dropping in western societies. There have also been opposing studies and arguments for some time. The 1972 Club of Rome study, *Limits to growth*, applied 'systems dynamics' to economic and ecological trends. It measured trends in resource extraction and the effects on underlying biosphere life-support systems. The assessment concluded (generating much controversy at the time) that 'the limits to growth ... will be reached sometime in the next 100 years. The most probable result will be a sudden and uncontrollable decline in both population and industrial capacity' (Boyden 1987: 217).

The 1990s International Geosphere Biosphere Project (IGBP) studies have shown downward capacity in all natural systems as human activity (the anthropocene) affects the planet. The context is a frequently quoted calculation, attributed to E.O. Wilson, saying that at present rates of resource consumption, if everyone consumed resources at the same rate as Australia or the United States, we would need four additional similar planets to remain sustainable.

## **Competition policy no help to greenhouse response**

Another arm of neo-liberal beliefs in Australia that significantly affected domestic greenhouse policy in the 1990s was the push for National Competition Policy. This was aimed at moving publicly-owned assets and infrastructure into private ownership or at least into a competitive national market. Competition policy, strongly favoured by the Keating government, worked against climate change response through its effect on energy provision and infrastructure, a state responsibility.

With a mandate to corporatise and compete, state-run electricity providers dropped early 1990s commitments to energy efficiency and renewable energy programs and moved into a national competitive arena vying for new customers.

With time, the energy sector became adversarial, and business leaders as well as political leaders became dedicated to 'supply-side' energy management; that is, out to sell more energy for more development and growth.

The simultaneous reframing of the energy efficiency option from 'can do' to 'can't do' was achieved with a 'discourse of inevitability' insisting there were no alternatives to the economic ideas gaining ground (Broomhill 2001). In theory, the 1992 National Greenhouse Response Strategy (NGRS) committed federal and state governments to a range of greenhouse response measures, particularly in the energy sector which, in the mid-1990s, was estimated to contribute 67 per cent of Australia's greenhouse CO<sub>2</sub> emissions and 53.4 per cent of total greenhouse emissions.

The free market direction, however, simultaneously erected financial barriers to efficiency and renewable energy measures. For example, commercial interest rates favoured status quo energy production over innovation and new ventures. Financial barriers also encouraged not putting a price on carbon pollution, which is something economists call an 'externality', i.e. not a core business expense (Walker 1996).

Summing up what he saw happening since the early 1990s, environmental consultant Alan Pears said that whether on energy efficient domestic or commercial buildings, efficient appliances, or transport, Australia during the 1990s and into the mid-2000s experienced an 'almost complete policy failure' in curbing greenhouse gas emissions. He said in an interview:

We know how to make cuts in every sector, some demonstrably successful. But there are powerful economic groups and narrow theorists and nervous politicians believing that environmental action will hurt the economy. It's been a brilliant PR strategy, and it's left the community confused and disempowered. These beliefs are based on interpretations of crude economic modelling and reinforced by the preconception that you help either the environment *or* the economy.

Pears supports the view that there has been a deliberate political strategy, developed with the resource industries—many of which are multinationals—to discredit the science and scare the electorate with economic modelling on costs. By the second half of the 1990s, energy conservation and fuel substitution had fallen off the policy agenda—in favour of supply-side techno fix proposals such as clean coal, and the nuclear option for a time.

Energy sector deregulation and privatisation with a mandate to compete nationally yielded a prime example of the profound influence of belief and

values on Australia's climate change story—with the shift away from a previous state of political/economic bipartisan agreement about the overriding public interest of curbing greenhouse gas pollution.

In terms of the new normal that was created, it's worth repeating that regulation of industrial activity for the greater public good has only recently become a taboo idea. For example, 25 years ago then CSIRO chairman, Neville Wran, told *The Australian Financial Review* that regulation might be needed to achieve emission cuts (McKanna 1988: 4).

This possibility dropped away entirely during Howard's prime ministership as well as from Coalition policies starting in 1996. Australia started a still-unfinished era of the purest expression of economic rationalism and free market capitalism yet seen in this country (Sturgess & Torrens 2009). In terms of climate change response, the public story now rejected 'costs' to markets or regulation to rein in emissions.

Politicians, financial supporters of free market think tanks, and leaders or lobbyists for mining, agriculture, aluminium and electricity generation agreed that there could be no change from the status quo or extra costs to combat climate change. Widespread inefficiencies in the industrial sector, as freely reported in the early 1990s, made the prospect of additional costs more threatening.

## Enter the media

Neo-liberal ideas and ways of seeing the world have entered the media mainstream both through the preferences of editors and owners and also via conservative columnists who have been rarely, if ever, connected explicitly to think tanks or what they stand for. For example, while IPA environment director, biologist Dr Jennifer Marohasy penned a column for *The Land* for many years just under her name and shared her sceptical views on climate science with a rural audience without transparent links to her IPA position. Others connected to the IPA have written columns for Murdoch tabloids over the years. In Australia a little of this has gone a long way to setting the public agenda, particularly when these ideas agree with the approach of the government of the day, as we see in the next chapter on the media role.

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