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Illustration: Paul Orchard

The Nordic Edge: Policy Possibilities for
Australia Andrew Scott and Rod Campbell
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Defining failure in the world of policy is a challenge. Is it when a set of policies fails to meet stated targets? At what point can something be painted as a failure? And who gets to define it? Despite huge cost overruns, the Sydney Opera House ended up with inadequate facilities, yet it is an icon regularly ranked among the greatest buildings of the twentieth century. Some issues come into perspective only after decades, and then success takes a form nobody expected.

We are starting to see clearly now that the greatest failure of the past fifty years has been the unleashing of market forces in such a way as to ruin our future. Ceaseless warnings that now is the time to act to prevent a climate emergency have gained no purchase since they first surfaced more than four decades ago. We have just gone on ignoring the warnings from scientists and nature itself. Instead we have ploughed ahead, relentlessly pumping greenhouse gases into the

atmosphere. Few countries have done this with such enthusiasm as Australia, which has stepped back from its limited attempts to reduce emissions in the seven years since the Paris Accord.

Keeping global warming to 1.5 degrees centigrade above pre-industrial temperatures, the aim of the Paris Accord, is no longer at all likely. Coal is the main culprit, and as long as Australia keeps digging it up and China and India keep burning it, nothing else will make that much difference.

Australia's roots and rocks economy has provided it with one of the highest living standards in the world. Until Covid-19, it had not had a recession since 1990 thanks to its abundance of iron and coal to fuel China's construction boom.

And like many resource-rich countries, Australia has mostly pissed all the benefits away. It has ten billionaires among the 500 wealthiest people on Earth, a sign of worsening inequality and a rent-seeking economy. The country has one of the lowest takes from resources of any major exporter. It should have ended up with a sovereign wealth fund like that in Norway, which now owns the equivalent of 1 per cent of every listed company on earth.

Coal is the second largest export, but the benefits do not flow to many. The industry employs fewer than 50,000 people, half the number that McDonald's

employs across the country and less than a tenth of those employed in healthcare. The Australian public consistently overestimate both the number employed and the economic contribution of coal. They also don't see the disadvantages. The growth of commodities has raised the value of the Australian dollar, making many other exports and tourism uncompetitive; the government has failed to manage the issue of so-called Dutch disease, in which exporting primary products squeezes the rest of an economy.

Mining companies have captured the state in ways that few businesses ever manage. A study this year found that 80 per cent of Australians thought acting to reduce carbon emissions was important, including 70 per cent of self-described conservatives. But the Liberal-National Coalition holds power because of its grip on Queensland politics, where the message that climate action will cost jobs wins it elections. Voters may tell pollsters they want action on climate, but it is not their top priority, and in elections they vote for jobs. In the 2019 election, for example, only 13 per cent of Australians said climate was the most important issue determining their vote.

Why can't Australia be more like Norway, rich but non-toxic, a good global citizen and a generally happy place alongside its Nordic neighbours? That is the premise of *The Nordic Edge*, a collection of chapters edited by Andrew Scott and Rod Campbell. The idea is that

Australia would be more successful and have better living standards if it adopted the high taxes, lavish social spending and gender-budgeting model of the Nordics. Electric cars, empty prisons, an end to mateship and a feminist foreign policy all seem very ambitious and unlikely for a country that has skewed conservative in most elections for two decades now.

The Nordic countries weren't always a model for anyone. They became that way by making political choices to be more egalitarian, to impose high taxes, to redistribute wealth and reduce poverty. Sweden in the nineteenth century was among the most unequal countries in Europe, but it changed. Likewise, Australia has made choices to become a slovenly global citizen. Under the Labor government of Bob Hawke, Australia was the ninth country to ratify the treaty establishing the global climate management system. Thirty years later, Canberra has all but formally ended any commitments to the Paris Accord. Carbon pricing has been abandoned after two years—a period in which emissions fell by 2 per cent, the economy grew by 5 per cent and 200,000 jobs were created. But the myth endures that climate action will kill the economy.

The prevalence of that myth is why, no matter how much progressives want Australia to be like Scandinavia, it probably never will be. It lacks the consensus-seeking politics of coalitions or the dominance of centrist Lutheran culture. Instead,

Australian policy has tended towards wild swings, one moment leading the way internationally on the environment, the next undermining climate agreements. And another thing: Scandinavian states liberalised before vast industries could capture the state. Norway is a rare state that has maintained a close grip on its major commodity industry, oil and gas, keeping it under state ownership and managing the wealth it produces.

Enabled by the media and driven by the political culture, Australian politics at the federal level is marked by its astonishing short-termism and contempt for rational discussion. A plan to encourage electric vehicles was rebranded as ‘a war on the weekend’ because it would supposedly prevent Aussies from towing caravans or taking trips to the far reaches of the Outback—never mind that most Australians don’t drive further than the supermarket most weekends. Opposing a reduction in carbon emissions has become central to its identity. Electric vehicles are too big a challenge to the national sense of self.

Australia is among the most vulnerable states anywhere. Already hot and dry, it is destined to be hotter and drier. It will face more frequent and more severe droughts and storms. Unbearable 40° Celsius summers will become the norm. Forest fires in the summer of 2019-2020 burned 186,000 square kilometres, an area equivalent to Cambodia. Three

billion vertebrates died, among them thirty-four humans.

Public pressure has started to change the government's public statements but hasn't really led to new policies. Scott Morrison, the prime minister, finally pledged to reach zero net emissions by 2050, but this is a slippery idea. Would it include the vast amount of carbon embedded in energy and mineral exports? Australian coal burned in China warms the planet just the same. Likewise, the little we know of the plan depends on carbon capture technologies that remain unproven and are unlikely to make a serious difference to rising temperatures in the next thirty years. No scientists believe that carbon capture will allow us to go on burning fossil fuels in the way we do now.

What explains the failure of Australia to come to grips with this issue? Most policy writers ignore this question. They may offer ideas for a better future, but they don't say how politics must change to get there. Across the world, polarised electorates have adopted climate denial as a cornerstone of their identity. Wanting to be more like Norway doesn't change the reality that Australia is much closer to Trump's America. Deepening rural-urban divides and large economic gaps between elites and the poor have translated into harder politics; infantile media, deep corporate corruption and social media have been accelerants poured on the fires.

There is some hope. A recent study has shown that the Australian electorate favours action to reduce emissions and that support will grow by more than 4 per cent in the coming decade. Demographic change in political views is slow, but some conservatives, including the Murdoch press, are moving away from their opposition to climate action.

Now the question is whether the late and weak conversion by the Australian government and media is real or another cynical tactic to delay action. Even Andrew Forrest, the iron ore billionaire, now talks up his company's green future, reducing the vast carbon footprint of mining. The reality is that, like all mining companies in Australia and elsewhere, it has to engage in 'greenwashing', always presenting change as something that is coming soon.



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