Kyoto Crunch Time
Why something urgent needs to be done

This will be a critical year for Australia with regard to the Kyoto protocols. Last year there were no fewer than three jumbo-jet fed international gabfests for the representatives of over 170 nations. This year, there will be the South African World Summit on Sustainable Development in September (the ‘Rio plus 10’) where screws will be tightened on recalcitrant countries not yet committed to ratification, and yet another in New Delhi in November. The aim is to have participating countries cut their greenhouse-gas emissions to below 1990 levels. This is a given. The talk at each international meeting each time is about variable targets, carbon trading mechanics and haggling over specific country quotas. Nowhere is the real and destructive cost, or effects, of Kyoto mentioned.

As crunch time approaches, there is increasing evidence of growing schizophrenia in the signatory nations. Even as Japan signs on to Kyoto, its very own industry is privately conceding it will not work. German industry is realizing it can’t work and Canada has also done some real sums. Only Australia, for the moment, and the United States appear to be able to come to an honest conclusion. The US Senate voted emphatically 95-0 to reject any climate treaty that would do ‘serious harm’ to the US economy. Bush has now definitively rejected Kyoto, claiming it is ‘fatally flawed’. For the moment the Howard Government has said no and the Minister, Dr David Kemp, has just signed an Australian/US Climate Action Partnership in February which will focus on more realistic and practical approaches towards dealing with climate change.

Two essential issues in this Partnership directly underline the contradictions of Kyoto. Both the US and Australia are committed to reducing greenhouse emissions, but any effort to reduce emissions must be consistent with these fundamental issues. There must be continued economic growth, and, to make any sense, any action must involve developing countries. The Australia GDP decline will be, according to a detailed model developed by ABARE, around one per cent. The treaty obligations would, incidentally, wipe out the brown coal industry in Victoria, writing off both the Latrobe Valley’s national asset of limitless supply of coal, and the power stations themselves, valued at $11 billion. Electricity cost would double throughout Australia. Along with Canada, Australia would be the only country to see a declining GDP. Japan, the European Union, Eastern Europe, Russia and the Ukraine would all benefit from Kyoto.

What of the science? This planet has always known enormous heating and cooling in cycles between glacial and inter-glacial periods. In the last century, surface temperatures have risen half a degree centigrade, an increase that has probably caused more good than harm. The Intergovernmental Panel on Climate Change [IPCC] report acknowl-
edges that it is difficult to determine how much of this slight warming is the result of human CO₂ emissions and how much is natural—perhaps produced by variations in solar energy. Even if every last clause of Kyoto were followed to the letter, the effects of such expensive cutbacks on temperature would be negligible. In less than eight years, according to ABARE, developing countries will already overtake the developed world and contribute a majority of all the world’s emissions.

It is clear, when you look at those vociferating against the Howard Government, that there is more ideology, politics and anti-capitalist rhetoric at work than scientific evidence. Bjørn Lomborg, in his important new book The Skeptical Environmentalist said that the IPCC wants ‘a society which is less resource-oriented, less industrialized, less commercialized, less production-oriented…. It is important to realize that the discussion is no longer primarily about energy.’ What is positive about the Climate Action Partnership between Australia and the United States is that it is proposing a more realistic political, social, and economic vision for the future—a program to reduce global poverty. Kyoto will have the opposite effect. As James Glassman (The American Enterprise Online) points out, to respond to any environmental calamity—warming or cooling, floods or droughts—nations need the resilience that comes from a strong economy.

Dr Kemp has understood the link between economic prosperity and the developing countries that bizarrely are left outside the Kyoto loop. In Washington in February he said of the Action Partnership, that it is ‘designed to introduce new technology and maintain and be consistent with continued economic growth. We’re very pleased at the element of the President’s statement where he talked about the engagement of the United States with developing countries because developing countries are not part of the Kyoto agreement in its first commitment stage and at the moment there’s no clear pathway for the involvement of developing countries in Kyoto. The President has indicated that there is going to be an American engagement with developing countries and that’s an area where we would very much like to be in a partnership with the United States because we think that in our own region we could have a constructive role to play there.’

Let the Europeans go their own way. Their leaders preach downsizing, small thinking, pain, and fear. Australia has more in common with aspiring Third World peoples, who know that the key to better health and a cleaner environment is economic growth. For Australia, pretending that Kyoto is a solution is plain madness.

Andrew McIntyre is editor of InTouch and Public Affairs Manager of the IPA.
DEBATE ON IMMIGRATION

The Hon Philip Ruddock

The five core values that I believe good immigration policy should be based on are as follows:

- first, immigration policy must be non-discriminatory in terms of race, religion, colour and ethnicity;
- second, it must be demonstrably in the national economic and social interest;
- third, we must assist close family reunion to the extent that this is reasonable and sensible;
- fourth, we must contribute our fair share to the resettlement of those most in humanitarian need;
- and last but by no means least, we must retain the capacity to manage the movement of people across our borders in an orderly and efficient manner.

Philip Ruddock

The full speech is available on our website at www.ipa.org.au

DEBATE ON IMMIGRATION

In the long-run, democracy was the winner on Friday 31 May, when the IPA was able to hold a large Dialogue on Immigration. Triple-billed with speakers Dr Bob Birrell from the Centre for Population and Urban Research, Monash University, Andrew Bolt, lead columnist from the Melbourne Herald Sun, and the Hon. Philip Ruddock, Minister for Immigration and Multicultural and Indigenous Affairs, the event brought out the ire of the fascist Left, who, in good imitation of the brownshirts in Germany in the early 1930s, but with no understanding of the history, saw nothing more urgent than to ‘shut down this racist meeting’. Thanks to a considerable police presence, that actually allowed guests to enter the picketed building, the meeting was able to go ahead and members were able to hear a coherent account of the issue.

Dr Birrell gave an outline of the subtly changing attitudes over the last century to immigration and explained the complexities of what constituted the notion of an Australian identity. An understanding of this identity goes a long way in understanding the support for the current policy.

Andrew Bolt had a close look at the warped thinking and attitudes of the refugee protesters which he summed up accurately as, ‘biting for free speech and kicking for free speech’. In the context of September 11 he reiterated the urgent need for moderate Australian Muslims to dissociate themselves from the extremist views still being promoted in mosques in Australia.

With considerable sensitivity and compassion, the Minister outlined the logical and moral thought behind his highly popular immigration policy.

Over 120 people attended, and most questions were directed to the Minister for clarification on the finer points. The contrast between light and reason in the meeting could not have been more poignantly contrasted to the forces of darkness and violence and contempt for democracy on the outside.

Dr Bob Birrell

Police protecting free speech
IPA Backgrounder

THE FINANCIAL SERVICES REFORM ACT – REGULATING MORALS

by
Dr Jim Hoggett

The Commonwealth Parliament passed the Financial Services Reform Act into law late last year. With pressure from well-known interest groups, a disclosure provision was included which required managed funds to disclose the extent to which they take into account labour standards and environmental, social and ethical considerations in their investment activities. The provision is a tougher version of one recently enacted in the UK. It echoes a theme taken up by many non-government and international organizations and in its extreme form is hostile to business and the free market system. This seemingly innocuous provision will have wide ranging effects, given the leverage of managed funds in the investment market used by almost all major corporations. It will lead to demands for much more monitoring of business behaviour by so-called stakeholders who often have no substantial stake in the business concerned. The result is likely to be confusion at best and significant economic damage at worst. Interpretations of the four criteria, especially social and ethics, diverge widely depending upon culture and value systems. Governments are poorly placed to monitor or judge the morality of private activities and generally breach important freedoms when they try. Applied to declared ethical funds this provision could be acceptable, but in the form of a general rule it ought to be repealed.

IPA Backgrounder

THE NEW IMPERIALISM: CALPERS, UNIONS AND NGOs

by
Dr Mike Nahan

The union movement and its allies in the NGO sector have for decades been trying to impose labour standards on developing countries. They have pushed for labour standards to be incorporated into trade arrangements. They have promoted laws that impose labour standards on domestic firms operating in developing nations. They have pushed international agencies, in particular the United Nations, to promote labour standards. They have pressured firms to adopt codes of conduct. And they have promoted ‘ethical investment’ which includes labour standards. They have now added another bow to their campaign by getting superannuation or pension funds to impose labour standards through their investment decisions in emerging countries. Last February, California Public Employees Retirement System or CalPERS—the world’s largest pension fund with assets in excess of US$50 billion—declared its intention to withdraw its investment from Malaysia, Indonesia and Thailand. While market and political risk factors were the dominate concerns in respect of Indonesia and to a lesser extent Thailand, the decision to withdraw from Malaysia was based on an assessment of labour standards undertaken by a number of NGOs. Other union linked funds in the US and Australia are considering CalPERS’ lead. Dr Nahan provides a detailed analysis of CalPERS’ decisions and methodology, both as a primer of things to come and as a case study of the new imperialism.
The application of democratic principles to corporations and markets is a flawed concept. The use of protocols as a tool to manage NGOs and their agendas in the corporate sector and Foundations could be a way of improving accountability. Dr Johns will examine several case studies.

The Senate Occassional Lecture

Government and Civil Society: Which is Virtuous?
to be delivered by
DR GARY JOHNS
Parliament House Canberra
Friday, 23 August 2002

An exploration of the key virtues of the two competing forms of liberal democracy, representative—the process of the formation of government—and associational—the process of activism in civil society. The aim of civil society activism is the democratisation of the state and the economy. The present liberal democracy is predicated on a more limited politics, and on allowing civil society and the economy to make their own contributions to society, outside the political system.
IPA EVENTS

HR Nicholls Conference, IPA in Washington, Kyoto, Economic Freedom Forum in Bali

IPA AT HR NICHOLLS CONFERENCE

Whilst the role of trade unions cannot be easily dismissed, it is also true that the environment that confronts trade unions in 2002 is extraordinarily different to that which they faced at their origins, and in their heyday.

Gary Johns was talking at the HR Nicholls Society’s XXIII Conference, The Changing Paradigm: Freedom, Jobs, Prosperity on 23 March 2002 in Melbourne. His talk, Trade Unions and Civil Society, pointed out that if trade unionism can reinvent itself, it will probably be as a collection of service providers rather than as a political force. It cannot persist as it is.

At the same conference, Alan Moran spoke on Compulsory Workplace Insurance and its Effect on Productivity. Dr Moran suggested that a free market for workplace insurance would reduce costs, by leaving it to the employer to determine what insurance he should prudently take out. Employees would assess this against the general liquidity of the employer and their own risk/reward trade-off. As has been demonstrated overseas, it would likely bring advantages, particularly in savings and lower costs.

IPA IN WASHINGTON DC

Next September, no fewer than 60,000 NGO activists are expected to descend upon Johannesburg for a vigorous week of networking and solidarity against capitalism. The expected attendance illustrates both the wealth (estimated cost $250 million) of the NGOs and their global reach.

In contrast, last April, the worldwide think-tank fraternity had its own much more modest get-together in Washington .DOC, hosted by the Atlas Foundation and Heritage Foundation, 450 representatives from about 250 think tanks meet to discuss issues and tactics and to network.

While attendance was largely from North America, their was also a healthy number of organisations from non-Anglo Saxon countries and from developing countries. There were even a couple from a French free-market think-tank. Mike Nahan attended as the IPA’s and Australia-Pacific’s sole representative.

Relative to the anti-globalization mob, our movement may be thin on the ground and our budgets small, but we are growing and we punch far above our weight.

IPA ENERGY FORUM

The energy forums at the IPA, hosted by Dr Alan Moran, are continuing successfully. On 13 May, with the NSW Opposition looking in better shape than it has for a while, Mr Duncan Gay, the NSW Opposition spokesman on Energy was invited to share his views. The meeting offered an excellent opportunity to get his perspective as well as influence his thinking on policy.

He explained that the NSW Opposition is keen to improve the competition framework for energy supply in NSW, but, due to electoral, has decided against a general privatisation of the industry. Members pressed on Mr Gay the benefits of privatization.

ECONOMIC FREEDOM NETWORK MEETING IN BALI

If one had to identify the core ideal of the IPA, it would be the promotion of economic freedom. But what does it mean in practical terms?

The Economic Freedom of the World Project was created, and now produces a comprehensive annual assessment of the trends in economic freedom around the world. The 2002 Report is available on www.freeworld.com, and is outlined in the latest edition of the IPA Review.

The Project has a network of 56 participating think-tanks for which the IPA is the Australian representative. We not only help ensure the integrity of data and analysis but help to sell the message in often unfriendly territory.

The Network is particularly useful in Asia, with few, struggling, think tanks.

Thanks to the Friedrich Naumann Foundation—the Asian Chapter of the network met in Bali this May. Mike Nahan attended and gave a talk on the Use of Economic Freedom Index by investors.

AN ILL WIND...

Wind is intrinsically less efficient than a more concentrated form of solar energy, like coal or oil. It is akin to harnessing a hundred cats to achieve the same pulling power as a horse.

Alan Moran was explaining the impracticalities of wind generated electricity in an address to the National Trust’s Wind Power Forum on 20 April, at Geelong. He said actual power generated by wind is much lower than its capacity, because even the best wind stations can only operate 25% of the time and then not at full capacity. For these reasons, wind is twice the cost of coal power.

Though some of us are prepared to pay a premium for what we perceive is a contribution to preventing a global catastrophe or simply because it makes us feel good, it is doubtful that wind power will ever add up to more than a per cent or so of total energy in Australia. Even if one per cent were achieved by 2010, the cost would amount to around $70 million per annum, in subsidies, by the Commonwealth alone.

Although improving technically, wind power will remain dependent on government regulations and subsidies.
Fulbright Award for Gary Johns

Gary Johns, senior Fellow with the IPA, has been awarded a Fulbright Professional Award for Australian–United States Alliance Studies sponsored by the Department of Foreign Affairs and Trade. He attended an award ceremony at The Great Hall, Parliament House, Canberra on 23 May where all 25 of Australia’s 2002 recipients of the Fulbright were presented by Peter McGauran, Minister for Science.

The Fulbright Program gives exceptional scholars and professionals a chance to study and enlarge their knowledge and experience overseas. In the past half-century, more than 250,000 awardees from 140 countries have taken part in the program, established to promote mutual understanding through cultural exchange between the United States and other countries.

The Fulbright Professional Award will give Gary an outstanding opportunity to continue the work he has been involved in at the IPA on the NGO Project. He will be based at Georgetown University, Washington DC for three months. He explained that whilst there, he will be able to explore his ideas with academics who “share my concern about the NGO challenge to the formal institutions of democracy”. He adds, “I will have a chance to study the procedures followed by the US Federal Government agencies, Congress and the Senate, the United Nations and the World Bank and visit selected charitable Foundations which fund NGO activity, and to a range of NGOs themselves”. Whilst in Washington Gary will also present a paper, NGO Protocols, at a number of universities and think-tanks.

This new opportunity for Gary is a continuation of his long experience of the practice of politics and his work in public policy over some 30 years, including almost a decade as a Member of the House of Representatives. His political career was crowned by his appointment as Special Minister of State, Deputy President of the Executive Council and Assistant Minister for Industrial Relations from 1993 to 1996 in the Keating Labor Government. Since leaving Parliament he has completed a Doctorate in Political Science at the University of Queensland.

All the latest available items on our Website www.ipa.org.au

Apart from listing our publications, the IPA website contains the many non-published speeches and submissions by IPA staff members. There are also complete, up-to-date copies of all newspaper articles published by IPA staff.

Recent submissions, speeches and on-line releases:

- International Criminal Court: Wrong for Australia: Three important reasons for not signing
- Has WWF Lost the Plot? – Jennifer Marohasy and Gary Johns
- Who Gets to Stay? Refugees, Asylum Seekers and Unauthorised Arrivals in Australia – Tess Rod & Ron Brunton
- Trade Unions and Civil Society – Gary Johns
- Compulsory Workplace Insurance and its Effect on Productivity, by Alan Moran
- InTOUCH for February is now available online
- IPA REVIEW for December 2001 is now available online
5.02.02 The Australian Another US group pulls plug on local power [IPA information used] Nigel Wilson
11.02.02 ABC Radio Peter Clarke program Mike Nahen
16.02.02 Herald Sun Japan is key to crisis Mike Nahen
26.02.02 Radio National Sandy McHutcheon Program, Should ex-government ministers have cooling-off period before entering private enterprise? Mike Nahen
28.02.02 The Australian Blame unions for Ansett’s collapse Mike Nahen
2.03.02 Herald Sun Good jobs get the chop Mike Nahen
13.03.02 ABC Radio Brisbane WWF & Great Barrier Reef Gary Johns
13.03.02 ABC Radio MacKay WWF & Great Barrier Reef Gary Johns
14.03.02 ABC Radio Cairns WWF & Great Barrier Reef Gary Johns
14.03.02 ABC Radio Mt Isa WWF & Great Barrier Reef Gary Johns
14.3.02 BRW Balancing act [Gary Johns Background ‘The protocols with NGOs’] David James
16.3.02 Herald Sun Polish on a rough trade Alan Moran
26.3.02 ABC OnLine Aboriginal Self Determination Gary Johns
27.3.02 Herald Sun Clothing industry in tatters Ken Phillips
28.3.02 The Australian Gone with the flow [Mention of Alan Moran]
30.3.02 Herald Sun A crisis of our own making Mike Nahen
4.4.2002 AFR Lomborg’s impressive & cool analysis Letter by Alan Moran
8.4.02 Herald Sun No need for dressing down [IPA Work Reform Unit and Report] Annie Delaney
13.04.02 Herald Sun Bashing via the courts Alan Moran
13.04.02 Courier Mail WWF and the Barrier Reef Gary Johns
13.04.02 Courier Mail Reefing up the lobbying [Gary Johns report on WWF] Craig Johnstone
15.04.02 The Australian Give smokers some respect Don D’Cruz
16.04.02 The Australian [3 letters on D’Cruz article]
16.04.02 ABC Radio National Sandy McCutcheon, Shane Stone’s comments on Canberra Press Gallery with Gary Johns
17.04.02 Courier Mail Reef always prime concern [IPA Report on WWF and article on 13.4.02]
David Butcher
18.04.02 The Australian Scribblers get caught in web of self-delusion [IPA mention] Tim Blair
18.04.02 ABC Radio Brisbane, 4QR Steve Austin debates the WWF and the Great Barrier Reef paper with Gary Johns
19.4.02 Courier Mail Reef at risk from rhetoric [Gary Johns and IPA report] Ove Hoegh-Guldberg
27.04.02 AFR Lies and Statistics Alan Moran
27.04.02 AFR China and the new economy could be Tokyo’s salvation Mike Nahen
30.04.02 AFR Questions raised by workplace deaths bill Ken Phillips
30.04.02 The Australian Immigration fears prove to be rational, not racist [IPA quoted] Alan Wood
2.05.02 Herald Sun Keeping a check on charity Mike Nahen
2.05.02 ABC TV 7.30 Report Kerry O’Brien, Privatization of Medibank with Mike Nahen
4.5.02 Herald Sun Oil smear campaign Mike Nahen
10.5.02 The Australian Acquila leads charge of power’s plug-pulling brigade [Alan Moran] Nigel Wilson
9.5.02 Herald Sun Campaign based on facts [Criticism of Mike Nahen article on 4.5.02] Gareth Walton
9.5.02 Herald Sun Early test results no longer apply, Mike Nahen
10.5.02 The Australian Aquila leads charge of power’s plug-pulling brigade [Alan Moran] Nigel Wilson
13.5.02 The Australian Foreign aid bodies need close scrutiny Don D’Cruz
15.5.02 Radio Singapore International Discussion on NGOs Mike Nahen
May 02 Electricity Supply The market power controversy: taking on a modelling of a straw man Alan Moran
17.5.02 The West Australian On target, health aside Mike Nahen
18.5.02 Herald Sun The tax man growth Mike Nahen
20.5.02 Malaysian Daily US activists funding anti-dam groups [based on IPA NGO report]
20.5.02 New Straits Times Local dam opponents receive US Funds [IPA NGO report]
22.5.02 AFR ALP tussle bares union struggle for future Ken Phillips
23.5.02 The Australian PR firms cop flak for befriending familiar foes [Don D’Cruz and NGO Unit]
Paul McIntyre
24.5.02 Malaysian Daily SAM accused of lying about funding [IPA NGO report]
24.5.02 SBS About Us – Without Prejudice on the Reconciliation Deliberative Poll [Gary Johns]
30.5.02 The Australian The inmates are still running the asylum Mike Nahen
31.5.02 Channel 9 News [IPA immigration dialogue reported]
1.6.02 AFR Is the national broadcaster biased, or just dong its job? Alan Moran
1.6.02 Herald Sun Power without reason Alan Moran
1.6.02 3AW News [IPA Immigration dialogue]
1.6.02 Channel 7 News [IPA immigration dialogue]
1.6.02 Channel 9 News [IPA immigration dialogue]
1.6.02 The Age Ruddock smuggles past blockade [IPA dialogue]
3.6.02 AFR Mahathir lashes out at overseas-funded NGOs [quoting IPA work].