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NEWSLETTER

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Lessons from the firestorms

Editorial by Bruce Duncan

Victorians are deeply shocked by the devastation and appalling death toll from the February fires. The exceptionally dry summer had left rural areas tinder dry, and many people were dreading what a burst of really hot weather would bring. The State survived several days of over 43 degrees, but when temperatures broke previous records beyond 46 degrees, unstoppable fires roared through Kinglake, Marysville, parts of Bendigo and other towns.

Those who have lost family and friends in other tragic circumstances will have some inkling of what the survivors must be going through, with the loss of fathers and mothers, children, friends and neighbours. Their grief will be even more anguished because of the difficulty of arranging funerals.



Photo courtesy Sunrise.seven at flickr

Thousands more have lost homes and possessions, and possibly also their jobs. It is true that houses and businesses can be replaced over time, particularly with the strong support from governments and the wider community. But it will still require years of effort and struggle.

Apart from the immediate human trauma and destruction resulting from the fire, urgent questions arise about how to live in and manage our bush. It seems likely that the fires indicate that we can expect

SPC is preparing a submission to the Joint Standing Committee on Treaties Inquiry into Nuclear Non-Proliferation and Disarmament, as part of our advocacy work. We will report on this in our next newsletter.

more such heat and fires in the future, with similar catastrophic consequences. This further confirms the anticipated effects of global warming.

Many expert voices have been warning for years about the impact of climate change, and Australians have been experiencing more extreme weather, from severe flooding in northern Australia to prolonged drought and record temperatures in other parts of the continent. Our major river systems are in a prolonged crisis, threatening our food productivity and exports.



Photo courtesy Sunrise.seven at flickr

The Victorian Government has announced it will set up a royal commission to examine issues arising from the fires. The commission will look not just at how to survive a fire in rural areas, or at developing better escape plans and mechanisms. It will need to consider how we live in fire-prone areas, how we build our houses, and indeed our whole relationship with the bush, including our glorious forests and wildlife.

If global warming continues as expected, even a small temperature rise of two degrees would have enormous consequences for farming, food production, water supplies and land management. What if temperatures rise five or six degrees, as some fear, in the lives of our grandchildren? Our forests would burn ferociously. What would be left of our fabulous bushland, with its unique trees, plants, animals and birdlife? Much of this precious heritage would be lost. And what would be the implications for future generations in a more barren land? What would our cities look like then?

It is difficult to know to what extent the February fires were exacerbated by global warming. But it seems highly probable that climate change is having a much more rapid impact than many scientists expected. The fires have vital lessons that we must not ignore.

Yarra Institute for Religion and Social Policy

We are delighted to announce that **Professor Brian Howe** will deliver the keynote address on '**The Churches and Social Policy: past and future**', at the launch of the Yarra Institute in the evening of 23 April. We will supply further details later.

Obama's New Deal for capitalism

The world economy has worsened significantly in the last two months. The slow-down in China has been more severe than expected, with nearly 20 million migrant workers now unemployed. This downturn has sharply cut Australia's mineral exports and tax receipts. Unemployment in Australia has risen from 3.9 per cent a year ago to 4.7 per cent (520,000) by February, and commentators expect it to rise to 6 per cent this year and about 7 per cent (750,000) in 2010.

It is much worse in the United States. In 2008, about 3.6 million people lost jobs, lifting unemployment to 7.6 per cent – the highest since 1992 – with nearly 600,000 in the last month. Some expect the official jobless figures could rise to 9 per cent or higher.

President Obama is faced with the task of reviving the US economy, but he also sees the crisis as an opportunity to shift US economic culture away from values based on competitive individualism and to adjust the institutional framework. He wishes to spread wealth and opportunity more equitably, especially with access to health services and education for poorer groups, and to revive US consciousness of their communitarian traditions based on the values of social justice.



flickr: 'Transplanted mountaineer'

The crisis in the US has been so severe that the government has effectively taken over major banks and insurance companies, measures that would have been seen as socialist until now. Yet leading business people have applauded many of Obama's decisive economic interventions, realising that otherwise the prospects of rapid recovery were dire.

Many commentators have criticised the free-market ideologues who played such a part in extolling a culture of greed and excess. But the corruption of institutions and governance also needs to be addressed. The question will be how much can

Papal encyclical on globalisation ready soon

According to reports from Rome, Pope Benedict's encyclical commemorating the 40th anniversary of Pope Paul VI's monumental encyclical, *Development of Peoples* (26 March 1967), is imminent. The new document is two years overdue. SPC will give a detailed commentary when it appears.

Obama help reshape American culture and economy in favour of greater equity, and not just in the USA.

Rudd, Abbot & the churches on neo-liberalism

Prime Minister, Kevin Rudd, surprised many Australians with his February essay, 'The Global Financial Crisis', in *The Monthly*. He launched a stinging attack on the ideology of 'neo-liberalism' that has driven economic and social change in various governments over recent decades. He was not arguing



Photo: Sam Herd, flickr.

for socialism, of course, but appealed to 'social democracy' to rescue capitalism from its excesses and ensure that markets were well regulated.

He particularly rejected theories of Friedrich Hayek and von Mises, and vigorously defended the values of social justice and social equity. Rudd drew from leading economists, Joseph Stiglitz and Amartya Sen, as well as George Soros and Warren Buffett.

In response, Tony Abbott in *The Australian* (7-8 February) defended the Liberal Party against Rudd's attack by arguing that the current crisis was merely a 'cyclical (if severe) downturn' and that Rudd had become 'a born-against socialist'. Naturally, politicians will try to score political points, but most commentators definitely see the current crisis as unprecedented in scale and scope.

Here the churches have much to offer, not primarily about the technical side of economics, but about the values assumed by various policies. For instance, the Catholic Church has long regarded aspects of neo-liberalism, or 'economic liberalism' in its terminology, as one of its major ideological opponents. Indeed, all the major churches strongly defend social justice and equality of opportunity as integral to the mission of Jesus, drawing on the long Jewish tradition reflected especially in the prophets.

The problem is that we have very few commentators in the Australian media to explore these issues, in contrast with leading US media which give constant attention to the interaction between religion and public policy, as in the *Washington Post*.

We see our task at Social Policy Connections to encourage a wider conversation about the role of religious values in the shaping of public policy. We look to economists and other specialists to determine the best economic policies, but economists look to the community to help determine the philosophical and value issues that economics strives to serve.