



**The Hon Kelvin Thomson MP  
Federal Labor Member for Wills**

**Transforming Culture - Fenner School Lecture**

**Friday 29<sup>th</sup> August 2014.**

What awful news we are hearing. The beheading of a journalist. The shooting down of a Malaysian civilian plane. The conflict in Gaza, with Palestinians shooting rockets at Israeli civilians, and Israeli bombs killing Palestinian children.

These events, and many others, suggest that the world is not becoming a safer place. I do not think the world is becoming a better place, for reasons I will set out in more detail shortly. But before I go into that detail, I want to say that making the world safe for civilians is core business for anyone like me who is involved in public policy, and core business for people like yourselves who are interested in good public policy and promoting human health around the globe. If the world is unsafe, then everything else becomes unimportant.

### **The Responsibility to Protect**

So how can we make the world safer for civilians? There should be United Nations peacekeepers in Ukraine, in Gaza, and around the world wherever there is conflict and there are civilian lives at risk.

Australia will hold the United Nations Security Council Presidency for a month in November. What should we be doing with this rare opportunity?

I am dismayed and often disgusted by events in Iraq, Syria, Gaza, Afghanistan and Ukraine. I know the people of North Korea are brutalised by their leaders and that drug lords in Mexico and Colombia routinely put on public display the bodies of those they have executed. The antics of Boko Haram, Al Shebab and other violent fundamentalists make me sick.

I don't believe in unilateral action of the "coalition of the willing" kind. As we have seen only too clearly from Vietnam to Iraq, that only makes matters worse, with violence begetting violence. But I don't believe we can just sit here and shrug our shoulders and say there is nothing we can do about it.

I do believe in collective international action to solve problems. And of course we have the United Nations, established precisely to solve international problems and to seek to improve on the abysmal record of the First and Second World Wars. I know it does a lot of good, but the level of global violence suggests that it needs to be doing much more.

Why doesn't it do more? Well that would be because the big powers - members of the UN Security Council with a veto power over UN action - are prepared to turn a blind eye to, to cover up, the sins and misdeeds of their allies and supporters. No-one has clean hands here. Not the United States, not Russia, not China. All three of them are guilty of putting up with outrageous conduct when it is done by one of their supporters, and all three are willing to use their veto power in the Security Council to stop the UN from taking meaningful action.

Over my years of political life I've come to realise that a key measure of political integrity is what political leaders are prepared to tolerate by way of misconduct from people in their camp. And at present the big powers, instead of working together to put an end to war and political violence, are prepared to tolerate way too much.

Of course getting the big powers to lift their game is no easy matter. But I make three observations that might help. First, people concerned about global conflict should seek to breathe new life into the "responsibility to protect". This doctrine took a long time to develop and was very quickly put into cold storage after Libya. But it does have the potential to save civilian lives, and we should demand that the UN Security Council uses it when outbreaks of violence occur. Some people might think that this will require a lot more resources for the UN. But it is nonsense to think that we don't have these resources readily at hand. The US, Russia and China have massive numbers of troops and equipment at their disposal. All that is required is for some of these resources to be handed over to the UN, and to operate as blue helmets.

Second, we should be wary of the way that trade agreements and global trading arrangements act as a handbrake and make countries reluctant to tell home truths to their trading partners. Countries around the world should not allow their independence and self-sufficiency to become so compromised that they cannot say what needs to be said or do what needs to be done.

Third, our attitude matters. Everyone has to be willing to put the weights on the big countries and demand action from them. It is not good enough to let them blame this or that rogue state, or rogue General, or rogue religious leader. We should tell the big powers we know they can fix the problem if they genuinely want to, or if they can't that the world is willing to help out.

Not an easy row to hoe, to be sure, and often inconvenient. But far superior to Coalition of the Willing type unilateral action, which has proven to be disastrous, and far superior to fatalism, and meekly allowing this violence to continue, or trying to pick up the refugee pieces. That is an ambulance at the bottom of the cliff, when what is needed is more fences at the top. An ounce of prevention is indeed worth a pound of cure, and we should use our time in the sun chairing the Security Council to advocate that.

Much of this involves a transformation of our culture. At present we are fatalistic about the sins of the big powers. We think there is nothing we can do about them. Many countries, Australia included, attach themselves to one or other of the great powers, and rely on that to keep them safe. I am not saying we should detach ourselves from the US alliance. That is not my position at all. What I am saying is that being part of an alliance does not mean we are obliged to turn a blind eye to misconduct. Indeed we often do our friends a favour when we point out where they are going wrong.

### **Why the political left-of-centre is losing the war**

I said earlier that I do not think the world is becoming a better place. I said earlier this year that that we are losing the war. By we, I mean the politically left-of centre; I mean the Labor Party and other social democratic parties around the world, I mean the trade unions, and I mean the environmental movement. We sometimes win battles, but overall we are not winning. I repeat, we are losing the war. We sometimes win elections, but usually on the terms of our opposition. We are in office, but not in power. And at all times we are fighting defensive, rearguard actions to protect the things we have achieved and built up—the social welfare safety net; industrial relations and workplace rights and protections; environmental protections and national parks; publicly owned assets; rules against the abuse of market power. Our opponents are emboldened and enjoy unprecedented media power.

When I was young and first getting involved in politics, it felt like the left was winning and we would be able to usher in a golden age of civilized politics and equal opportunity. But it did not happen. A report by Oxfam, a month ago, found that the richest 85 people in the world own as much wealth as the bottom half of the world's population—some three and a half billion people—combined. Half the world's wealth is owned by just one per cent of the world's population. And the situation is getting worse. In nearly every country they surveyed, economic inequality has increased since 1980.

The richest one per cent in the US more than doubled their share of national income. In Australia, the richest one per cent doubled their share. After the GFC, the wealthiest one per cent in the US captured 95 per cent of post-crisis growth, while the bottom 90 per cent became poorer! How did this happen? Where did we go wrong?

At the risk of oversimplification, capitalism was largely unfettered and successfully fighting off the workers and their political representatives until the Great Depression of the 1930s, when they stuffed up big time and paid for it in the form of the rise of the welfare state, government enterprises, workers' rights and protections, and various restrictions on market excesses.

But in the last few decades the rise of multinational corporations, globalisation, free trade and the ideas of the free movement of goods and people has enabled capitalism to progressively break free from national governments.

We now see corporations that are too big to fail. We now see companies, some as large as the governments they talk to, demanding the unwinding of rules and regulations they do not like, and threatening to take their bat and ball and go elsewhere if they do not get their way. Environmental protections, workplace protections, foreign ownership restrictions—pretty much anything governments might want to do in the public interest—are under attack. Large corporations are expressly demanding in so-called trade agreements that they have the right to sue any government that takes action which damages their financial bottom line, the so-called Investor State Dispute Settlement mechanism.

Some welcome these changes; I do not. The picture I see is of a manufacturing sector in decline and of job security, particularly for younger and older workers, becoming a thing of the past. The picture I see is of our young people not being able to afford a home of their own as we could. The picture I see is of an environment on the ropes, with many of our beautiful and priceless birds, plants and animals on the brink of extinction, and our land ravaged by droughts, bushfires, floods and cyclones. The picture I see is of terrorist violence and regional killings fuelled by conflict over access to scarce land, water, food and energy. The picture I see is of older people struggling to pay the bills, of families under constant time pressure, mental-health problems and drugs like ice and alcohol causing more hardship and misery among our young people than ever before:

So how does the left fight back? How do trade unions fight back? How do environment groups fight back? We need to learn from successful models. We need to learn from Norway, for example. When it comes to long-term policy vision, Norway's Sovereign Wealth Fund, currently worth \$900 billion, is what we should have done years ago. Set up in 1990, the fund owns around one per cent of the world's stocks, as well as bonds and real estate from London to Boston, making the Nordic nation an exception when others are struggling under a mountain of debt. The fund, equivalent to 183 per cent of 2013 Gross Domestic Product, is expected to peak at 220 per cent around 2030. As the chief economist at DNB Markets points out, 'The fund is a success in the sense that parliament has managed to put aside money for the future,' which is something Australia should have done but squandered the opportunity.

The comparison between Norway's management of their resources boom and Australia's management of ours could not be more different. Norway has maintained a much larger manufacturing sector, currently just under 30 per cent, per working age of population, than Australia. Norway has an employment to working-age population ratio that is five percentage points higher than Australia's and an unemployment rate of 3.3 per cent, compared to ours of six per cent. Between 1980 and 2010 the cumulative current-account surplus for Norway was 200 per cent of GDP, while for Australia the outcome was a cumulative current account deficit of 127 per cent of GDP. Significantly, Norway has a population growth rate one-third of Australia's and little migration. What it has instead is an aggressive industry policy to maximise pull-over effects to manufacturing from resource expansion. This was done by local content targets during resource expansion and operation; and subsidies, investment support and training to ensure manufacturing could meet local content targets at minimum cost to the resource sector.

The sovereign wealth funds' investments offshore have minimised the appreciation of the Norwegian currency, in contrast with Australia, where a high Australian dollar has put pressure on the competitiveness of manufacturing, which in 2004 contributed 12.5 per cent to our economic output, but today just seven per cent. There is absolutely no doubt that Australia has contracted 'Dutch disease'. Perhaps we should call ours 'Osteoporosis'. Mining has grown but manufacturing has shrunk. We had a currency surging on the back of the vast capital inflows required for new mine construction and expansion, as Ian Verrender recently pointed out in an article on how we squandered the resources boom. In support of sovereign wealth funds, Ian Verrender said: How could such a fund have helped us? By investing offshore, it could have helped stabilise the currency, partially offsetting the dollar-boosting effect of the resources boom, thereby easing pressure on our manufacturing and services industries.

We also need to learn from Sweden. As *The Economist* has reported: Sweden has also donned the golden straitjacket of fiscal orthodoxy with its pledge to produce a fiscal surplus over the economic cycle. Its public debt fell from 70% of GDP in 1993 to 37% in 2010, and its budget moved from an 11% deficit to a surplus of 0.3% over the same period.

Sweden's public accounts, in contrast to the rest of Europe, have swung back into balance after the global financial crisis, and Sweden remains one of the few countries in the OECD whose financial assets considerably exceed its liabilities—to the tune of more than 20 per cent of GDP. Yet social expenditures remain high and the Swedish welfare state remains strong. The Swedish state is still large—51 per cent of GDP last year—and spends much more than Anglo-Saxon countries do on everything from early childhood education to job search and training.

More than 70 per cent of the children of the poorest fifth of Swedes are in state-financed childcare and education schemes, compared with fewer than 30 per cent in America. Wage disparities in Sweden are narrower than in Anglo-Saxon countries, thanks to centralised bargaining between unions and employers that sets minimum wages in different sectors. More than 7 out of ten workers are members of unions. Top CEO pay has not risen nearly as dramatically as in America.

Not surprisingly, Swedes' trust in government is over 60 per cent, amongst the highest in the Western world. This is a vindication for a model based on relative equality and supportive welfare that can coexist alongside a balanced budget, funded by high taxation in an economy that is performing well for all its citizens, not just for vested interests.

Unlike Australia, the US, and other European countries, the Nordic countries have kept real control of their borders. With one exception, they have kept their own currency. Norway has not even joined the European Union. That is the sort of thing that gives you real independence and sovereignty, and control over your own destiny, as opposed to entering into trade treaties that compromise and surrender the capacity of government to act in the national interest and look after their own citizens.

And finally, and critically, they have not run migration programs that artificially inflate their population. The Nordic countries have a combined population of 25 million, with expected combined growth by 2050 of only three million to 28 million. Australia by comparison is 23 million but is expected to grow by over 60 per cent to 36 or even 40 million by 2050.

So I say to people who want to see a better society and a better world, we need a transformation of culture. We need to learn from these examples and campaign in favour of independence and self-reliance and against rapid population growth.

### **Economic prosperity- a better model**

I also think we need a transformation of culture which challenges the fetish with economic growth and GDP as it's measurement. Growth is not an end in itself. Indeed we often hear talk about GDP which doesn't even refer to GDP per capita. More people living in your street certainly increases the GDP of the street, but it hardly means that you are personally wealthier or better off. Yes we need measures of economic performance- economic performance matters. But the better performance indicators are employment, inflation, interest rates, and balancing the books. We need low unemployment, low inflation, low interest rates, and a strong budget. These things matter.

And we also need to measure things other than economic performance. The fact is that the four main Nordic countries—Sweden, Denmark, Norway and Finland—are doing well. If you could be reborn anywhere in the world, you would want to be a Viking, as *The Economist* said in a report on the Nordic countries. The Nordic cluster at the top of the league tables of everything from economic competitiveness to social health, to happiness. They have avoided both southern Europe's economic paralysis and America's extreme inequality.

Interestingly, the Oxfam report on inequality shows Australia was second only to the United States on the percentage increase in share of income of the richest one per cent between 1980 and 2012. During that same period, Australia's population grew by over 50 per cent, second only to Singapore. Rapid population growth does correlate with increasing inequality. Nordic governments demonstrate it is possible to combine competitive capitalism with a larger state and a smaller population: they employ 30 per cent of their workforce in the public sector compared with an OECD average of 15 per cent.

The performance of schools and hospitals is measured. Governments are forced to operate in the harsh light of day. Sweden gives everyone access to official records. There is also an emphasis on the long term, with policies in place to mitigate the harsher effects of capitalism. Denmark, for example, has a system of 'flexicurity' that makes it easier for employers to sack people but provides support and training for the unemployed. An active labour market policy in Nordic countries helps improve qualifications among the unemployed through courses and education, and also encourages the unemployed to actively focus on job seeking. The social security net is not passive, in the sense that all may choose freely between working or not; rather, it provides a secure income as long as the demand for active participation in the labour market is met. Participation in the labour market is also supported by welfare schemes such as child care. An extensive childcare system has a direct welfare effect for families and helps to socialise children. It also helps to ensure gender equality in terms of opportunities to participate in the labour market.

Unlike the political right, which seeks to disparage welfare, the Nordic countries consider the welfare state to be a strength when it comes to economic development. Not only does the welfare state benefit the whole population; it has a positive effect on the economy. The public sector and welfare services have helped the countries to develop a highly skilled workforce and a high level of employment. This, combined with a stable civil society, a strong democratic tradition and an effective regulatory framework, has led to the emergence in the region of extensive social capital, which is one of the main pillars of the Nordic economy.

For Australia to progress, we need to look less at tired orthodoxies from either the Left or the Right and study the Scandinavian models instead.

### **Environmental Sustainability- Public Open Spaces & Health Benefits**

The final element of transforming culture I want to talk about today goes to the need for a stronger recognition of the health benefits of public open space.

Important medical research, most of it undertaken in the United Kingdom, has reinforced what many of us feel in the pores of our skin - that exposure to open space is good for our health, and that public open space has tangible health benefits that are regularly under-acknowledged and under-appreciated by policy makers. The research is particularly timely for two reasons - first the amount of time we spend indoors compared with outdoors has increased dramatically within the space of a generation, and secondly public open space is disappearing under the weight of pressure from a rapidly increasing global population - urbanisation and intensive agriculture is driving widespread and large-scale habitat destruction.

Late last year Graham Rook, from the Centre for Clinical Microbiology, Department of Infection, and the National Institute for Health Research and University College London Hospitals Biomedical Research Centre, produced a paper titled "Regulation of the immune system by biodiversity from the natural environment: An ecosystem service essential to health".

He concluded that living close to the environment is associated with long-term health benefits including reduced death rates, reduced cardiovascular disease, and reduced psychiatric problems. Compared with urban environments, exposure to green space triggers rapid psychological, physiological, and endocrinological effects. Moreover the illnesses that are increasing in high-income countries are associated with falling immunoregulation and poorly regulated inflammatory responses. This failure of immunoregulation is partly attributable to a lack of exposure to organisms from mankind's evolutionary past, which he refers to as "Old Friends". These organisms needed to be tolerated and therefore evolved roles in driving immunoregulatory mechanisms. Some Old Friends, such as helminths, and infections picked up at birth, are almost eliminated from the urban environment. Graham Rook suggests that the requirement for microbial input from the environment to drive immunoregulation is a major component of the beneficial effect of green space, and a neglected ecosystem service that is essential for our well-being.

Graham Rook notes that numerous studies demonstrate that living close to the natural rural or coastal environment, often called "green space" and "blue space" respectively, is beneficial for human health. It reduces overall mortality, cardiovascular disease, and depressive symptoms, and increases subjective feelings of well-being.

Even looking at the natural environment as images or through a window is said to have beneficial effects. Mr Rook says that humans do indeed have an evolutionarily predetermined need for exposure to the natural environment. He notes that the high-income countries are undergoing massive increases in chronic inflammatory disorders. Studies carried out in high-income countries since 1985 found that the prevalence of depression in urban areas was 39 percent higher than in rural areas. Similarly, the prevalence of anxiety disorders was 21 percent higher in urban than in rural areas. Living by the coast also yields clear health benefits, and marine spray is a source of microbial biodiversity.

His work is aimed at bridging the gap between ecology and medicine and immunology, so that microbial biodiversity is taken into consideration by ecologists. He points to the need for better collaboration between the medical profession, ecologists, and urban planners.

A paper by J Thompson Coon, K Boddy, K Stein, R Wheat, J Barton and M H Depledge, asked "Does Participating In Physical Activity in Outdoor Natural Environments Have a Greater Effect on Physical and Mental Wellbeing than Physical Activity Indoors?" They noted that anecdotal evidence suggests that long-term adherence to exercise conducted in outdoor natural environments or urban green spaces may be superior to that of indoor exercise. They examined seven studies which compare the effects of environment on mental well-being following short-term walking. Six of the studies found that compared with walking indoors, walking outdoors had a positive effect on some aspects of mood. Measures of revitalisation, self-esteem, positive engagement and subjective vitality were all greater following outdoor walking as were feelings of energy, pleasure and delight. There were decreases in feelings of frustration, worry, confusion, depression, tension, and tiredness.

There is also research being done on the influence of the aquatic environment on wellbeing. Preliminary research suggests that individuals tend to rate the restorative quality of images containing water more highly than those devoid of water.

Some research suggests that different population subgroups may respond differently to the quality and quantity of green space available. For example Richardson and Mitchell, cited in the Physical Activity Paper, found that cardiovascular disease and respiratory disease mortality rates decreased with increasing access to green space in males, but no significant associations were found in women. The authors concluded that we should not assume uniform health benefits of urban green space for everybody. Larger individual benefits may be seen in specific populations, such as people with mild depression or people who are overweight or obese. Exercise is recommended as a treatment option for people with depression by both the National Institute of Clinical Excellence and the National Service Framework for Mental Health.

The UK Public Health White Paper 2010 notes that green spaces can improve mental health and the quality of community life. Researchers have observed a link between increasing urbanisation and psychosis or depression. By contrast, living closer to urban green spaces is associated with lower mental distress. This informs a paper by the Parliamentary Office of Science and Technology of the UK Parliament, titled Urban Green Infrastructure.

The paper notes that 80 percent of the UK population lives in urban areas, and with an increasing population many UK urban areas are becoming more densely populated, often at the cost of green space. The paper says the loss of green space is associated with risks to human health that are greatest in deprived areas. Low income areas have fewer and poorer quality green spaces compared with more affluent areas in the same city.

The paper says that investment in green spaces has a greater positive effect in economically deprived areas than in affluent areas, since economically deprived communities spend more time in their neighbourhoods. Living in an area with high levels of green space leads to an decrease in mental distress compared with living in areas with little green space. Some studies indicate that for mental illness, such as depression, exercise can produce similar improvements in mental wellbeing as conventional medication.

Green spaces also improve human health by reducing air pollution and cooling cities. Urban areas often experience elevated temperatures compared with the surrounding countryside, because of extensive heat absorbing surfaces such as concrete and tarmac, concentrated heat production and impeded air flow. The centre of London is on average 5 degrees Celcius warmer than surrounding rural areas. Summer heat waves pose direct health risks to urban populations. During the 2003 heat wave a temperature difference between urban and rural areas of up to 10 degrees was recorded for London. Estimates suggest that 40 percent of the 600 excess deaths - actual deaths minus expected deaths - during that period in London were due to the urban heat island effect. Green spaces lower air temperature through the evaporation of water from vegetation and shading. In Manchester modelling predicts a 10 percent increase in green space would reduce the maximum surface temperature by 2.2 degrees.

The Parliament Office of Science and Technology paper talks about the concept of Green Infrastructure and Blue Infrastructure. Green Infrastructure includes parks, playing fields, private gardens and so on. Blue Infrastructure includes rivers, creeks, beaches and wetlands. The message is clear. We have spent a lot of time and money and energy on our "Grey Infrastructure" of roads, bridges, drains and the like.

For the sake of our health, we need to spend more time, more money and more energy on our Green Infrastructure and our Blue Infrastructure.

Thank you.

**Kelvin Thomson**