



Kelvin Thomson MP

Federal Labor Member for Wills

The Witches' Hats Theory of Government: How increasing population is making the task of government harder

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There is a clear correlation between population growth and social upheaval and unrest. What is known as the Arab Spring started in Tunisia, when rising food prices, high unemployment, and a widening gap between rich and poor, triggered riots which led to the flight of Tunisia's autocratic ruler Zine Ben Ali. Before he left he vowed to reduce the price of sugar, milk and bread – too little too late.

Protests began in Egypt, which led to a change of government there, and in Libya, which are now bringing about a change of government there too. The backdrop to this unrest was a rise in global wheat prices of the order of 70% between June and December 2010. People simply could not afford the bread they needed to live. Egypt's population had grown from 22 million in 1952 to 81 million in 2010 – nearly a fourfold increase in 60 years.

Rapid population growth means lots of high-testosterone young males, who are prepared to risk bullets and oust dictators. After decades of exporting oil to pay for grain, Egypt now needs to import both oil and grain to meet the needs of a population that doubled under Mubarak, and didn't thank him for it.

But the link between rapid population growth and social unrest is not confined to the Middle East. BBC Radio 4's *More or Less* program on 12 August 2011 quoted a US sociologist, Professor Jack Goldstone, saying that throughout history there was a clear link between rapid population growth and social unrest, seen in events like the French and Russian Revolutions, and now in pockets of society that have seen rapid population growth and immigration.

He looked at the recent riots in the London suburb of Tottenham and found that the population had grown by nearly 8% between 2000 and 2005, with a high percentage of new immigrants and young people – three times the UK average for this period.

The continent of Africa contains many examples of rapid population growth fuelling political instability. Africa's most populous country is Nigeria. From independence in 1960, over a period of 50 years to 2010, Nigeria's population rose from 45 million to 158 million –over a threefold increase. Accompanying this rapid increase have been economic booms and busts, military coups, widespread corruption, and ethnic and religious divisions.

The population of Ghana quadrupled over 50 years, from 6 million at the time of independence in 1960 to over 24 million by 2010. From 1960 to 1992 Ghana was marred by military coups, and although rich in natural resources, Ghana is a heavily indebted country, and in 1994-95 land disputes in the North erupted into ethnic violence.

Kenya had a population of less than 9 million when it gained independence in 1963. It now has a population of 40 million – a fourfold increase, and is currently growing at a brisk 2.8% per year. In 1982 it became a one-party state, and has been beset by mismanagement and corruption.

There is little doubt in my mind that rapid population growth and political instability go hand in hand. While often the instability is attributed to ethnic or religious differences, I believe these are merely symptoms of the underlying problem – too many people for the available resources of land, food, water, fuel, housing, jobs. A scarcity of resources leads to conflict.

When that conflict occurs people may well band together, or divide, on religious or ethnic lines – that is indeed human nature – but whether we have that conflict in the first place, or whether people of different ethnicities and religions live harmoniously together, often comes back to whether there are enough resources for all, or whether there are simply too many people for the available resources.

But I have been wondering about whether there is a bigger truth – that population growth is likely to undermine support for governments, irrespective of the prevailing political system and culture.

I have thought of this as the Witches' Hats theory of government. I ask you to think of those Advanced Driving Courses that require drivers to drive in slalom fashion through a set of plastic or rubber orange cones, which are commonly called witches' hats. The driver's mission is to avoid the hats. If they hit a certain number, they fail the test.

I think the re-election task of a government has some similarities. If you think of each hat as an area of public policy such as education, health, housing, transport, aged care, etc., if a government mucks up an area of public policy it is somewhat akin to hitting one of the witches' hats.

If a government hits a number of the hats, i.e. fails a number of public policy tasks, it is likely to be voted out, just as the driver who hits the hats won't get their Advanced Driving Qualification.

Now it seems pretty obvious that if you are a driver, then you are much more likely to avoid the hats if you are travelling at 50 kph, whereas if you're driving at 100 kph, you're pretty likely to hit some hats.

And if you're a government you're much more likely to successfully solve peoples' problems, that is, avoid those witches' hats, if you have a population that is pretty stable, rather than one that is growing rapidly.

The US environmentalist Frosty Wooldridge does a good job of setting the scene for being a politician in the modern world, compared with the post-war era, in his description of California as once "the most beautiful State in the Union." As he says

In 1950 it housed a reasonable 10 million people. Known as the land of milk and honey -- California's mountains, coastline and weather beckoned. Californian condors soared through limitless blue skies. Yosemite National Park, giant sequoia redwoods, whales and seals along its coastline, Hollywood and 77 Sunset Strip -- created the Californian mystique.

60 years later, 38 million people cram, jam, gridlock and fume in their fumes on forever crowded freeways. Growing at 1700 people daily and over 600,000 annually -- California expects an added 21 million people within 35 years.

The result, says Frosty Wooldridge, is

massive subdivision, housing sprawl. Roads, malls, schools, churches, and homes devour land like Kansas wheat combines. Developers demolish nature. They guzzle water. They vomit black smoke into the air. Cars whiz around like mad hornets. The more compacted the traffic, the more drivers suffer road rage. Few smiling faces can be seen on Californian freeways. Drivers busy themselves trying to stay alive.

The political result – California seems on its way to becoming ungovernable. A Democratic governor, Gray Davis, was recalled by the voters in a special election in part due to anger over his support for California granting drivers-licences to illegal entrants.

Arnold Schwarzenegger managed to disappoint pretty much everyone, supporters included, during his tenure. Governor Jerry Brown has been unable to bridge the budget gap and a sharp partisan divide. That sharp partisan divide is an increasing feature of, and blot on, United States politics –dragging the whole country down and making it nigh on ungovernable. And we're seeing it in Australia too.

If California's population growth and its increasingly difficult and testy politics are connected, what happens where populations are relatively stable?

In the Nordic countries, populations have increased only slowly over the 60 years since 1950. Since the 1950s Denmark has been politically very stable, notwithstanding that minority governments have been the norm. The Danish welfare state emerged as the Social Democratic Party dominated politics for many decades, and remains largely in the ascendant.

In Norway politics have been stable and co-operative, with coalition governments common, alternating between Right-Centrist and Left-Centrist, with Labor generally ascendant. Sweden has a strong multi-party polity, with the Social Democrats drawing consistent support and often in government.

Finland has a robust multi-party system where parties seem happy to collaborate. Most governments have been three-party coalitions. There have been relatively long stretches of government by either a coalition of the Left or the Right.

Iceland has been more volatile than the other Nordic countries, but it has nevertheless had four core parties, and the Independence Party was in government for an 18 year stretch from 1991-2009, which suggests considerable stability and continuity.

In search of further evidence let me move from a cold part of the world to a hot one. Recently I headed a parliamentary delegation to the Solomon Islands and Samoa. At the time of independence, the Solomon Islands had a population of 170,000 – now its population is three times that, over 500,000. It has seen frequent changes of Prime Minister, and the other countries in the region have troops stationed there to keep the peace. Its Parliament has not met this year, and our Delegation was told that this was because the Prime Minister was afraid of a Parliamentary vote of no-confidence.

Samoa by contrast has had a relatively stable population of around 170,000 to 180,000 for decades. It has had the same Prime Minister for nearly 20 years, and the same governing Party for nearly 30 years.

Sticking in the Pacific, Papua New Guinea is experiencing rapid population growth. Its population is close to 7 million, and it is estimated to be growing at between 2.3% and 2.7%. It is projected to reach 9 million by 2020. It has over 850 indigenous languages, 85% of the population live in rural areas, and 40% are under the age of 15. Life expectancy is just 62 years, 25% of children don't go to school, and it is not on track to meet any of the Millennium Development goals.

Neighbouring Indonesia, on the other hand, is growing at half PNG's rate: 1.2%. It has made a rather smooth transition to democracy.

Turning to Europe, in the last decade many European states have appeared to be undergoing a crisis of integration.

The *Economist* described the 2009 European Union election outcomes in the following terms:

It was a terrible night for European socialists, but also a worrying night for those who believe in a Europe of open borders . . . At the same time, the vote for mainstream conservative parties in several countries only held steady or even slightly fell, against a backdrop of the lowest ever turnout for a Euro-election, with just 43% bothering to vote.

In many countries large protest votes went to the populist, fringe, and hard-Right politicians vowing to close borders, repatriate immigrants or even dismantle the European Union in its current form. Britain elected two members of the avowedly racist British National Party, and in the Netherlands, a populist party, which vows to ban the Koran and close the European Parliament, picked up 4 seats with 17% of the vote. Far-Right and anti-immigrant parties picked up seats in Austria, Denmark, Slovakia and Hungary . . . and in Germany the Social Democratic Party suffered its worst ever result, with just 21% of the vote. . .

In France, the Socialist Party only just escaped being pushed into third place.
. . . In Poland, the Left was simply crushed, with 75% of the vote going to conservative parties.

The growth of Rightwing anti-immigration parties is causing consternation among many European governments, and drawing the attention of political analysts, scholars and journalists. An editorial last year in the UK Telegraph said that “European governments must develop a more sophisticated approach to immigration if they are to hold back the far Right.”

It said, “Far right parties are currently in government in Italy and also sit in the parliaments of Austria, Bulgaria, Denmark, Hungary, Latvia and Slovakia as well as in the European Parliament . . . What is most worrying is the inability or unwillingness of mainstream political parties across Europe to confront these issues.”

The editorial said:

As we have seen in this country, the refusal of the political establishment over many years to conduct a mature debate on immigration has played into the hands of the British National Party.

The editorial observed that

Europe’s leaders need to develop a more sophisticated approach to the many challenges posed by economic migration if the extremists are not to continue to prosper.

The UK magazine of the Newcastle Greens recently said:

The trick is to find some sustainable mix between 'hard heads' and 'kind hearts'. One without the other is a recipe for ruin. At present the need for immigration controls, for example, is rejected by those who glibly assert a policy of 'open frontiers', regardless of its social, economic or ecological costs. They dismiss any other option as racist. Thus genuine dilemmas are simply wished away, while real racists are given a field day. One result in Britain is that many working class people have been driven into the arms of fascist bodies like the British National Party.

One encouraging sign in Britain is the existence of a Cross Party Parliamentary Group on Migration. The Cross Party Group advocates a slowing down of migration rates into Britain on a number of grounds, including that it makes for better screening of prospective migrants, and enables more adequate provision of services such as English language training, to make sure new arrivals get a job and become positive contributors to the society, rather than falling through a social crack into a netherworld of drugs and crime.

Now to Australia. In 1945 our population was 7 million. Today it is over 22 million. There was nothing inevitable about this growth. Back in 1945 Sweden's population was also 7 million. Today their population is 9 million.

Are we outperforming Sweden as a result? No. Do we have a better relationship with our landscape and environment? No. Does the evidence suggest that we are better off as a society for this rapid population growth? No.

Let's go back to the Whitlam years, between 1974 and 1975. It's become folklore that the Whitlam Labor Government were terrible economic managers and that subsequent governments have done a much better job of running the economy.

Yet unemployment, even in Whitlam's worst year, post OPEC oil shock, averaged less than 5%, and has never been as low since.

The Whitlam government was supposed to be a high-taxing government, but taxation as a percentage of GDP never reached 20%, and since then has climbed above 20%, rising to over 24% under John Howard and Peter Costello. And back then your taxes went a lot further. All the roads were free (no tolls); all the universities were free (no fees), and few parents sent their kids to non-government schools – so they didn't have to fork out for school fees either.

Net overseas migration at the time was much less than 100,000 per annum, compared with the over 200,000 it has been in recent years.

Or we could consider the 1960s. We had a population of around 12 million. There was no such thing as GST. Homes and rental properties were in good supply, and inexpensive, compared with today, where Sydney and Melbourne have some of the most unaffordable housing markets in the world. There were jobs for everyone who wanted one. People didn't have to work long hours; in fact there was talk of a 35-hour week. Government employees didn't have to sign work contracts.

There were two mail deliveries each weekday and one on Saturday. There was no real waiting time for hospitals. Trains and buses were inexpensive and uncrowded. You could drive across our cities in no time at all. Beaches and other public facilities were uncrowded. Electricity and gas were cheap. We didn't have water shortages. Working people could afford beachside suburbs or a holiday house.

Crime rates were low. Many people didn't lock their windows or doors. We didn't have home invasions. Children wandered city streets freely and without fear. We grew our produce instead of concreting our market gardens and then importing it. Pre-war, according to the urban historian Patrick Troy, Melbourne grew a third of its own food in backyards – not because it needed to, and not because the country was not eager to supply produce, but because labour and space were available.

And the politics of population growth in Australia? In October 2009 then Prime Minister Kevin Rudd was asked about Treasury predictions that Australia's population would grow from 22 million to 35.9 million by 2050. He responded by saying, "I actually believe in a big Australia. I make no apology for that. I actually think it's good news that our population is growing."

The *Australian* newspaper reported in an editorial that these words sent Labor's focus groups "ballistic".

People were coping with traffic jams and developers wrecking their streets and suburbs. Couples were facing house prices that forced both of them to work full time or overtime, and in fear of losing their house if one fell ill or lost their job.

So an exceptionally popular Prime Minister –in early October 2009 the Morgan Poll gave him an approval rating of 66% --quickly lost support. By early December his approval rating was 53%, and Labor's primary polling fell below 50%, never to return. In 2010, following the postponing of Labor's commitment to a carbon trading scheme to cut carbon emissions – a task made much harder and less publicly plausible by population growth – both Kevin Rudd's and Labor's approval continued to fall. In June 2010 they were both in the 30s, and Kevin Rudd was replaced as Prime Minister. Significantly, incoming Prime Minister Julia Gillard announced that she rejected "Big Australia".

Let me spend a little more time outlining the particular areas where I believe increasing population causes governments to grow out of touch with their communities and voters, and therefore to lose support.

Planning is a key area. In order to house a growing population, particularly in big cities, governments end up taking away citizens' rights to a say in what their street, their neighbourhood, their suburb looks like. That's one witches' hat bowled over! Governments appeal to us to accept high-rise – we should become more European, they say – but many people don't want it. They like their backyard and their open space. Planning issues played a significant role in the defeat of the Victorian Labor government last year, and the New South Wales Labor government this year. The Sydney Morning Herald said in June, "If there is a portfolio that has crystallised all that was wrong with the former Labor government in NSW, planning is unquestionably it."

The incoming Liberal government scrapped Part 3A of the Planning Act.

The planning issue is alive and well in the city of Canberra too. I know there have been battles to maintain the integrity of the Parliamentary triangle. I am told developers are now demanding to be allowed to put up skyscrapers that will obliterate City Hill, which is one of the three hills that are the apexes of the Parliamentary Triangle. It would be a shame if the integrity and genius of the original design of the Parliamentary triangle were to be crowded out by high rise. If you want to see high rise, you can find that pretty much anywhere.

Beyond the planning issues there is a range of other impacts of increased population on our cities. The National Institute of Labour Studies, Flinders University School of the Environment, and CSIRO Sustainable Ecosystems published detailed research into the long-term physical implications of net overseas migration in July 2010, and reached the following conclusions about Sydney:

- Sydney will be importing the vast majority of its fresh fruit and vegetables from outside the Sydney Basin by 2050, because the remaining horticultural land has been developed for housing and industry.
- Sydney will be subject to increasingly stringent, possibly permanent water restrictions.
- Western Sydney will continue to experience poor quality water in its major and minor creeks and rivers.
- Increasing population growth is likely to directly and deleteriously affect the remaining pockets of diverse ecosystems in the Western Sydney Basin.
- Western Sydney will be disproportionately affected by the lack of transport infrastructure and by congestion, measured in average travel times. Liveability will likely be reduced with commensurate costs to people.

Sounds like another witches' hat to me.

Beyond the impacts on planning and on our cities of population growth, there is the question of cost-of-living pressures. There is no doubt in my mind that rising cost-of-living is fuelling much of the political discontent to which Federal and State governments in Australia have been subject. It has been claimed that Australia should have high levels of migration to keep inflation and prices in check. Nothing could be further from the truth. When an economy is experiencing housing and infrastructure capacity constraints, high levels of immigration cause inflation as prices tend to rise. This is to ration supply to meet the increased demand. It is also to fund investment in the roads, hospitals, utilities, schools, and housing required to meet the needs of the new people.

The infrastructure investments required to meet rising city populations increase the demand for construction workers and engineers, diverting these workers away from the mining industry which was the original reason for bringing them here. It is a dog chasing its tail. More migrants creates a need for infrastructure, housing, and people-serving industries like health and education, which then demand more migrants to meet the need.

In relation to utility prices, from 2007 electricity price inflation accelerated sharply. Rapid increase in electricity prices is definitely another witches' hat down. Regulators allowed double-digit price increases to fund infrastructure investment, which was needed to meet population growth. A recent report by the New Zealand Savings Working Group supports the view that population growth puts upward pressure on inflation and interest rates:

A country with a rapidly growing population needs to devote resources to building more roads, schools, shops, houses, factories and so on than a country with a low rate of population growth. In a country with a relatively low national savings rate, rapid population growth will put sustained upward pressure on real interest rates, and in turn, on the real exchange rate, making it harder to achieve the per capita income gains that people (and the government) aspire to.

I might add that the CPI measure of inflation adopted by the Reserve Bank (and most central banks) explicitly excludes house price inflation, even though it is a genuine cost incurred by households – and a matter of more than passing interest to my children, and I suspect the children of many in this audience.

Had house prices been included in the CPI, the inflationary impact of population growth would have been even more pronounced.

Given that a high migration program pushes up the cost of living, and that this annoys voters, the obvious question is why do governments do it?

There is a very interesting report recently from Monash University's Bob Birrell, Ernest Healy, Katharine Betts, and Fred T. Smith into *Immigration and the Resources Boom Mark 2*. The Monash University report examined advice from Skills Australia to the effect that Australia would need an extra 2.4 million skilled workers by 2015 and an extra 5.2 million by 2025. Now how did it arrive at those numbers?

Well, it used assumptions provided by the modellers Access Economics. One of these assumptions was that net overseas migration (NOM) would grow from 220,000 in 2010 to 250,000 by 2025. As former editor Crispin Hull pointed out in *The Canberra Times*, this is a circular argument. We will need more skilled migrants because we are going to have high migration! There is no logic to this approach at all.

The Monash University Report examines in detail the claim that we need high skilled migration to feed the mining boom. It finds that mining will employ just 80,000 more people in 2025 than it does now – less than half a year's (current) migration intake. The rest of the migrants go to city jobs, or to unemployment, and are not involved in resources jobs at all.

Some of these workers and more than a few of the temporary workers brought to Australia on 457 visas or student visas are exploited by unscrupulous employers. There are numerous reports from the building industry of abuses – Unions WA recently exposed the exploitation of 20 Chinese migrant workers employed by Diploma Constructions to work without pay on an apartment building project for up to 8 weeks. As of 8 August, the workers were still awaiting payment.

Unskilled workers suffer from migration, skilled or otherwise, according to Lord Richard Layard, co-director of the London School of Economics Centre for Economic Performance. He says, “There is a huge amount of evidence that any increase in the number of unskilled workers lowers unskilled wages and increases the unskilled unemployment rate. . . Employers gain from unskilled immigration. . . The unskilled do not.” There goes another witches’ hat.

So when you think about the adverse impacts on people that a rising population produces, it’s not really surprising that governments in countries of times of high population growth tend to knock over plenty of witches’ hats, and lose public support.

I’m not suggesting that population growth rates are the only factor in whether governments survive or retain their popularity. No doubt there are plenty of other factors at work. One obvious one is that if a country has such large unused resources that its population has not yet begun to press up against them, then population growth may not yet have political consequences.

But I think there’s enough evidence around to suggest that when politicians – the vast majority of whom, it should be said, are not lazy, not corrupt, not in it only for themselves – look in the mirror and ask “Why don’t they like me?”, the answer might well be that they are driving the car too fast and knocking over those witches’ hats. They should slow the car down and focus on solving people’s real-life problems.

When I was asked to address you tonight, I was asked: What is the way forward? After the government’s Population Strategy, where do we go from here?

I think the answer might be that, as well as all the appeals to altruism that we make to government and politicians about the need for population reform, that we point out that a stable population may well be the key to extending their political life expectancy.

We who want to slow population growth should say – Do it for your children, Do it for the future, Do it to give the world's poor a chance, Do it for the birds plants and animals, but beyond all that, Do it for yourself!

USEFUL REFERENCES, listed by major issues:

Going ballistic

“We need a real debate on how big we want to be”, Editorial in *The Australian newspaper*, 19 July 2010: at <http://www.theaustralian.com.au/news/opinion/we-need-a-real-debate-on-how-big-we-want-to-be/story-e6frg71x-1225894269892>

See also Jennie Curtin, SMH 4 August 2010. “Big Australia vision goes down like a lead balloon”, <http://www.smh.com.au/national/big-australia-vision-goes-down-like-a-lead-balloon-20100803-115g7.html>. Also Katharine Betts, “A bigger Australia: opinions for and against”, *People and Place*, vol. 18, no. 2

More people, more emissions:

Robert Birrell and Ernest Healy, “Labor’s greenhouse aspirations”, *People and Place*, 2008, vol. 16, no. 2, pp. 1-15. <http://elecpress.monash.edu.au/npn/view/abstract/?article=0000010719>

World facts (basic resource):

See Central Intelligence Agency, *The World Fact Book*, updated weekly, available at: <https://www.cia.gov/library/publications/the-world-factbook/fields/2177.html>

No shortage of skilled labour:

B. Birrell, E. Healy, K. Betts and T. F. Smith, *Immigration and the Resources Boom Mark 2*, Centre for Population and Urban Research (CPUR), Monash University, July 2011.

On infrastructure costs see

O’Sullivan, J 2010, ‘Submission to Population Policy Inquiry Local Government Association of Queensland’, March 2010, p. 10, <http://www.lgaq.asn.au/c/document_library/get_file?p_l_id=621228&fileShortcutId=672191 >. Also Jane O’Sullivan, “The downward spiral of hasty population growth”, On Line Opinion, 8 March 2010 [Http://www.onlineopinion.com.au/view.asp?article=10137&page=0](http://www.onlineopinion.com.au/view.asp?article=10137&page=0)

Running resources short:

Jonathan Sobels et al., *Research into the Long-Term Physical Implications of Net Overseas Migration*, National Institute of Labour Studies, Flinders University report for the Department of Immigration and Citizenship, January 2011 http://www.immi.gov.au/media/publications/research/_pdf/physical-implications-migration-fullreport.pdf

More people, less quality of life:

Jane O’Sullivan, “Our relentless war on resilience”, On Line Opinion, 2 May 2011, <http://www.onlineopinion.com.au/view.asp?article=11962>. She remarks: “More people must have more housing, more infrastructure for transport, electricity, health, education, law and order, welfare, waste and pollution management, etc.” Also Clive Hamilton, “Population growth and environmental quality: are they compatible?”, *People and Place*, 2002, vol. 10, no. 2, pp. 1-5. Also Ross Gittins, “Punters well aware of economic case against more immigration”, *Sydney Morning Herald*, 24 November 2010, <http://www.rossgittins.com/2010/11/punters-well-aware-of-economic-case.html>

Patterns of wealth and population:

The top rankings of countries by national wealth per capita (produced by the International Monetary Fund and the World Bank) are dominated by countries with populations of 20 million or less. See [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(PPP\)_per_capita](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(PPP)_per_capita)

It seems to hold at regional level too. A detailed study in 2010 by the American community planning consultant, Eben Fodor, found that “... *faster growth rates are associated with lower incomes, greater income declines, and higher poverty rates. Unemployment rates tend to be higher in faster growing areas ... The 25 slowest-growing metro areas outperformed the 25 fastest-growing in every category and averaged \$8,455 more in per capita personal income in 2009.*”

See Eben Fodor, *Relationship between Growth and Prosperity in 100 Largest U.S. Metropolitan Areas*, December 2010, p.1. Available from http://www.fodorandassociates.com/rpts_and_pubs.htm [30 April 2011]

Population growth reduces quality of life in Australian cities:

For observations on our declining quality of life, and the connection to population growth, by Department of PM and Cabinet, see “City life in decline, PM warned”, by Shane Wright, Economics editor, *The West Australian*, December 20, 2010, <http://au.news.yahoo.com/thewest/a/-/breaking/8536559/city-life-in-decline/>
