

## A WAVE OF UNREASON

**John Biggs**

“A wave of unreason” is a phrase author Edgar Wallace used in a 1920s Gothic horror story, wonderfully entitled “The Black Abbott”. I use the phrase in another horror story, one about a wave of unreason that is currently sweeping the Western world and Australia in particular.

### **The way of reason**

Since the Renaissance, the Western World started thinking in a way that derives from science, using evidence that is publicly available, obtained according to an agreed methodology, and the conclusions drawn therefrom argued logically and transparently. Let’s call this the way of reason, which comprises thinking that is empirically validated and is internally consistent.

This sort of thinking underlies any rational public argument: it is a *democratic* way of operating because all participants have equal rights as long as they keep to the rules. It is a way that should generalize to politics in democratic systems. Policymaking should be transparent and up for challenge as it is in science, except for one thing: the reality or validity test is not quite the same as that in science. Ultimately, it’s about who gets the most votes.

And that’s where the trouble starts. Ideally, political policy should be validated, in the sense that any policy is internally consistent and in accord with what we know about how the social, economic and physical worlds work. In practice, however, garnering votes allows all sorts of unreason to cruel the issues: self-interest, dishonesty in presenting issues, collusion between individual politicians and parties, and so on. A truly educated citizenry should be able to sniff those falsifiers out, but we are a long way from that, as shall unfold.

### **The way of faith**

Prior to the development of the way of reason was the way of faith. We usually associate faith with religious beliefs but it can be faith in any dogma, including political beliefs. Faith is by definition its own validation because it is based on authority and its truths are absolute, not evidence-based and provisional as they are in science.

It is a profound and dangerous error to confuse the way of faith with the way of reason. In a speech entitled “One Religion is Enough”, ex-PM John Howard did just that, accusing those

urging action on climate change as forming a new religion acting on faith.<sup>1</sup> Rather than heed the evidence-based conclusion by 97 per cent of climate scientists that unless action is taken against climate change world temperatures would rise catastrophically, Howard preferred to rely on his “instinct”: “I instinctively feel that some of the claims are exaggerated,” he said. In short, he was asserting that the inner feelings of one individual – himself – carried a higher priority in making public policy than independently validated findings from science or anywhere else. That is authoritarianism of a high order, a breathtaking act of faith in one’s own private data bank, which is a source that is inaccessible to anyone else.

In Western democracy, the separation of religion from politics should be well established. Yet Tony Blair actually ordered his staff on one occasion to pray at the end of a meeting:

I said: “You’ll have to get on your knees.” One of them said: “For God's sake” and I said: “Exactly”.<sup>2</sup>

George Bush admitted that he conferred with God before making decisions. Did God then suggest that Bush should invade Iraq at the cost of hundreds of thousands of Iraqi lives and untold other damage, including that to his own troops and their families? I don’t know if Tony Blair or John Howard, Christians both, also sought God’s advice when they joined forces with their friend George Bush in this crime against humanity. The fact is that the war was engaged by three men whose religion’s prime exhortation is “love your neighbor” and “peace on earth and goodwill towards men.”

Their justification for the war was that Iraq had weapons of mass destruction when the best validated advice was that such weaponry did not exist. This is unreason in full flight, a total disconnect between thought and action. Further, it illustrates the danger of replacing the way of reason with an unquestioning faith in the *rightness* of what politicians are doing.

### **The rise of neoliberalism**

Barry Jones writes about Australian politics:

The political process has been deformed, parliaments have lost much of their moral authority, the public service has adopted the cult of managerialism and been increasingly politicised, universities have become trading corporations, the media is preoccupied with infotainment, while lobbying and use of consultants ensures that vested interest is more influential than community interest.<sup>3</sup>The cause of this

deformation of the political process – of higher education, of media, of vested over community interest – is the rise of neoliberalism.

Neoliberalism asserts that the only legitimate purpose of the state is to safeguard individual liberty and private property rights, and to safeguard especially commercial liberty with free markets and free trade.<sup>4</sup> Margaret Thatcher in the UK and Ronald Reagan in the US gave neoliberalism political reality, many Western countries following suit to a greater or lesser extent. How neoliberalism shaped social policy in Australia is clear if we compare the situation before and after Labor's rule from 1983 to 1996.

When Bob Hawke came to power in 1983, the government set the level of interest rates, the Australian dollar and tariffs, and wages were set centrally by the Industrial Relations Commission. When Labor left office in 1996 the government had virtually abolished tariffs, had ceded control over interest rates to an independent Reserve Bank, the value of the dollar and wages to market forces and had privatised the Commonwealth Bank and QANTAS. The Hawke-Keating government reduced corporate taxes from 49 to 33 cents in the dollar, and the personal tax rate from 60 cents to 47 cents. The wages share of GDP fell from around 61.5 per cent of GDP to less than 55 per cent, which amounted to a transfer of \$50 billion from workers to the already very rich. These changes, by a *Labor* government, in fact did more than the Fraser or Howard Liberal governments to increase inequality, decimate union strength and erode Labor's own support-base in the working class.<sup>5</sup>

This transformation, the biggest in the Australian economy since World War 2, was achieved by deregulating controls over business and letting market forces settle prices. Inevitably, corporate profits rose more than did wages. The distribution of this new wealth relied not on taxes so much as on the trickle-down effect: rich people buying more things meant more employment for the less privileged. When Keating brought in compulsory superannuation, people's super funds were locked into the stock market, forcing them to be party to preserving the neoliberal desideratum of annual growth. While the middle class are in real terms wealthier today than they ever were, an underclass of unemployed and under-privileged people are much poorer. By its nature, neoliberalism forces the gap between rich and poor wider and wider.

A fair and fully functioning government needs to address three areas of concern for a well-balanced society: social justice, economic growth, and environmental sustainability. Under neoliberalism, whether under a Labor or a Liberal flag, annual economic growth is the main

driver of government policy, at the expense of social justice and of environmental concerns. Herein lies a convenient way of defining “left” and “right” in politics. Right wing politics gives major if not sole weight to economic growth, while left wing politics gives proportionately more weight to social justice and to environmental concerns. Prior to the Hawke-Keating reforms, the Labor Party was seen as a party for social justice and thus of the left. Today, ALP policy makes economic growth override social justice, social justice having been almost totally scrapped for example in their latest policies on asylum seekers. The ALP is now a right wing party. The Greens started with environmentalism but now have incorporated social justice, seeing both as more important than unrestrained economic growth. Green policy sees economic growth in developing renewable resources and associated infrastructure; they are accordingly a left wing party. Ironically, the Greens are accused of being a one-issue party but in this light it is Labor and especially the Liberals who are the one-issue parties.

The neoliberal commitment to privatization, adopted by both Labor and Liberal parties, places corporate above community interests. Privately run businesses can be more efficient and less of a drain on the public purse than government run, but frequently the results in terms of public welfare are unacceptable. When the Sydney Water Board was corporatized in 1994, thousands of jobs were lost and household water prices doubled in a few years. Water bills for big business on the other hand dropped by an average of 45% in real terms. Perhaps even worse, monitoring services were reduced, resulting in dangerous increases in giardia and cryptosporidium contamination. It is obvious why. When service functions are privatized priorities change from serving the public to maximizing profits – and adequate monitoring for public health costs money. There are many more examples where privatization has resulted in the accumulation of private wealth to the severe detriment of the public interest.

The reasons why governments allow this to happen are pragmatic and ideological. Pragmatically, the sale of a public resource realizes immediate income that is handy in the event of budget difficulties. Another pragmatic reason is even more reprehensible: it is doing a good turn for corporate party donors and for rich mates. The ideological reason is that both Labor and Liberal are committed to neoliberalism *as an act of faith*, not through validated arguments.

Why the public would vote to allow this to happen is an interesting question to which I return later.

## Unreason in current Australian politics

Let us turn to the months before the September 2013 Federal election. The Liberals promised to:

- Cut the school student bonus, costing ordinary people \$1.8 billion in total.
- Set up a paid parental leave scheme giving up to \$75,000 pa to already wealthy people. Industry was to pay for this with a 1.5 per cent levy but that would be offset by a 1.5 per cent tax cut. Self-funded retirees would be the ones to foot that bill, an estimated \$1.5 billion, because that tax cut meant less tax credits for super funds. Nothing would go to unemployed parents or to those struggling on the poverty line.
- Tax the super payments of those on \$35,000 pa or less at 15 per cent, costing them \$777.50 pa. Those super payments were previously tax free.
- Abandon Labor's plan to tax the richest retirees' super funds, a total gain of \$300 million to the richest Australians.
- Commit only \$2.8 billion, with another \$77 million earmarked for independent schools, to the Gonski education scheme. The Labor and Greens committed \$10 billion.
- Cut 12,000 jobs in the public service.
- Drop tax breaks for small businesses but cut taxes for mining and for corporations paying the carbon tax.
- Scrap gambling reforms, to the immense benefit of Woolworths, Federal and the major casinos, and to the immense detriment of lower income gambling addicts.
- Cut supplementary allowances for the unemployed on Newstart and youth allowance.

Naturally, the wealthiest in the population would vote for such a package, but why would ordinary Australians? Yet 45 per cent of them did. Here are some of the reasons why so many people voted against their own interests:

- Disgust at Labor's evident dysfunction. This is itself an act of unreason. Under the recent Labor governments under especially under Gillard, more legislation was passed than under any other Prime Minister, including: carbon pricing, the Gonski reforms for education, the National Disability Insurance Scheme, the National Broadband Network, plain packaging of cigarettes, and the Tasmanian Forestry deal. It was also

under Labor that Australia was one of the very few countries that survived the Global Financial Crisis and carried the lowest net debt.

- Negative saturation by the press. News Ltd, which owns two thirds of daily and Sunday papers and the only papers in Brisbane and Hobart, was essentially a propaganda machine for the Liberal Party. Little or nothing was said about Labor's achievements, that Australia was one of the few countries that remained unaffected by the Global Financial Crisis and carried less debt than almost all other Western countries. One of the initiatives that saw us through the GFC, the pink batts scheme, resulted in four deaths on site, an accident rate not at variance with the industrial rate generally. The fault for those deaths surely lay in the hands of the contractors – who were selected by the home owners – hardly with the government. Yet the Liberals, with support from the press, painted that as massive Labor incompetence and have set up a Royal Commission to investigate the “mishandling” of that scheme.
- Mindless three word slogans such as “stop the boats”, “axe the tax” and the like pre-empted any reasoned discussion of the issues. This strategy was taken from Nazi leader Joseph Goebbels' rule book: “... confine yourself to a few points and repeat them over and over.”<sup>6</sup>
- Use of “cultural hegemony”, a term coined by Italian Antonio Gramsci to explain why people vote against their own interests.<sup>7</sup> We saw plenty of examples in the last election campaign. Relentless sloganeering about “a toxic tax” or “this dysfunctional minority Labor-Green government” (when its legislation record was outstanding) blinded people to the real issues. The massive public resistance in the US to Obamacare, when a majority of Americans cannot afford proper medical care, is another example: whisper the word “socialism” and unreason ejects logic.

Abbott's subsequent stance on climate change is perhaps the worst example of his unreason. Seven years ago climate change, and the need to mitigate greenhouse gas emissions, was seen by a majority of people and most politicians as a top priority. Effectively to handle that, however, meant moving away from fossil fuels into renewable sources of energy, and in a widely agreed effective weapon against climate change, a price was put on carbon. The mining and fossil fuel industries fought back. With a sympathetic media, they rustled up a few rogue scientists, some with connections with the industry, and loudly demanded that they

be given equal time with the 97 per cent of climate scientists who warned that immediate action on climate change was vital. Murdoch's News Ltd played a scurrilous role in this. 97 per cent of the columns appearing in the *Herald-Sun* were sceptical of human-caused global warming, an interestingly symmetrical reflection to the 97 per cent of scientists who conclude the very opposite. People became deeply confused, as intended, and when carbon pricing was called "a great big toxic tax" it was game over.

Here is unreason on a grand scale, not perhaps on the part of the fossil fuel industry, whose job it is to make as much money as possible as quickly as possible, but certainly on the part of politicians whose charge is to protect the public interest. Amazingly, the public supported this unreason.

But it gets worse. On gaining government in September 2013, Abbott's first priority was to repeal carbon pricing, debasing the issue from one about global climate change to one about electricity bills. He then:

- Cut \$300 million dollars from the Australian Renewable Energy Agency.
- Disbanded the Climate Change Advisory Committee.
- Removed \$10 billion of investment in clean energy, but approved a massive new coal mine in Queensland.
- Ruled that Australia would not sign up to any new contributions, taxes or charges at the Warsaw global summit on climate change, rejecting any such measures as "socialism masquerading as environmentalism". Sub-ministerial officials were sent to the summit, instead of a government minister, and were instructed to oppose positive proposals, including setting up a climate change fund for impoverished member states to help them tackle the effects of global warming. Australia in effect sabotaged the project doing much damage to Australia's international image.
- Accused UN's Christiana Figueres as "talking through her hat" for suggesting that Australia's recent record wild fires were a function of climate change and that such a link was "complete hogwash".

The Coalition's token plan of "Direct Action" would pay up to \$3.6 billion directly to polluting industries instead of punishing them for polluting. Climate experts say this plan would be less effective and far more expensive than carbon pricing.

Abbott's unreason even applies to science itself. He abolished the long standing portfolio of a Minister for Science, moved to amend the Australian Research Council legislation to ARC funding from \$884 million to \$716 million in 2016, and cut almost a quarter of scientists, researchers and workers at the Commonwealth Scientific and Industrial Research Organisation, Australia's premium research body. After promising support for the Gonski funding for public schools and the National Disability Insurance Scheme, Abbott is currently changing their thrust and decreasing their funding.

To ignore world opinion and strong scientific consensus that urgent action is needed to mitigate climate change is the thinking of a religious zealot. Faith in neoliberal dogmas of untrammelled economic growth and of accruing wealth in the immediate term has meant ignoring the best scientific advice on the viability of the planet itself.

### **Neoliberalism and democracy**

Early neoliberal theorists Friedrich Hayek and Milton Friedman claimed that free markets and free trade would lead to more individual liberty and well-being, and to a more efficient allocation of resources. The evidence is to the contrary on all counts. Neoliberalism leads to a far greater disparity of wealth both within and between countries. If democratic processes slow down neoliberal reforms, which frequently happens, then neoliberal thinking sidesteps democracy. It is standard corporate practice, with the help of corrupt governments, to take advantage of cheap resources, both human and material, in underdeveloped countries, depriving locals of water, agricultural land, habitat and their way of life simply in order to boost corporate profits offshore.

A frightening example of sidestepping democracy is the proposed Trans Pacific Partnership (TPP). The TPP would include an Investor-State Dispute Settlement (ISDS) clause into the agreement. This clause is only available to corporations and not to citizens of the nations who are party to the agreement. One tribunal judge reportedly said, with regard to the clause:

It never ceases to amaze me that sovereign states have agreed to investment arbitration at all ... Three private individuals are entrusted with the power to review, without any restriction or appeal procedure, all actions of the government, all decisions of the courts, and all laws and regulations emanating from parliament.<sup>8</sup>

Philip Morris tobacco has lodged just such a claim, claiming compensation for loss of revenue, against the Australian Government's legislation for the plain packaging of cigarettes using an ISDS clause contained in an earlier trade agreement with Hong Kong. The fact that this law was made by a democratically elected Parliament and had been deemed legitimate by the nation's highest court is irrelevant under the proposed TPP legislation.

### **The end of neoliberalism?**

The Global Financial Crisis came about because neoliberal economics led the banks to grossly over-lend on unsecured mortgages. Commentators believed at the time that such greed-driven stupidity would spell the collapse of neoliberalism. However those responsible weren't punished; they were charged with fixing the very problem that they themselves had created. Instead of government taking the pressure off the people whose mortgages were now unmanageable, hundreds of billions of dollars of taxpayers' money were used to prop up the failed private banks. It would have been far cheaper, and better for the banks themselves, John Ralston Saul argues, if the government had taken over those mortgages.<sup>9</sup> People would then have money to keep the economy going and the banks would have remained sustainable. But instead of questioning the economic theory that had led to the global financial crisis, the solution to the problem was more of the same – to everyone's detriment except the extremely wealthy few whose greed had created the problem.

Post GFC, the situation has become even more unstable. Speculative derivatives, that are very high risk, trade mainly between Wall Street and the City of London at the rate of US\$ 4 trillion every day, of which Australia alone trades AUD\$ 41 billion a day. These trading decisions are automated and made within microseconds, beyond any human monitoring or control.<sup>10</sup>

The many inbuilt contradictions in neoliberalism will eventually make the system self-destruct. Reliance on unlimited growth using non-renewable resources is one such contradiction: the law of conservation of matter will see to that. Economically, neoliberalism has generated a financial system that is running out of control.<sup>11</sup> The very unfairness of the system, where in the US one per cent of the population owns 40 per cent of the wealth,<sup>12</sup> (a similar if less drastic pattern exists in Australia), is an imbalance that cannot last in a system that is remotely democratic. People are becoming highly sceptical of the effects neoliberalism is having on their lives. Grass roots protest groups, such as People's Global

Action, the Occupy Movement, Lock the Gate Alliance, GetUp! and many more, are increasingly making their presence felt, especially through social media.

One way of combatting the unreason engendered by faith in neoliberalism is where we came in: the way of reason, using evidence-based argument and discussion. It is surely no coincidence that the Abbott government's attack on climate science didn't stop there but extends to dumbing down education by weakening the infrastructure of science, and cutting funding for higher education, research, and public education.

The National Curriculum, started in 2008, lists a number of "general capabilities", such as creative and critical thinking, ethical and intercultural understanding, that are likely to educate the public in critically evaluating policy rationally. It is not surprising therefore that current Education Minister Christopher Pyne has described that curriculum, which has only been operational for a year, as having a left-leaning bias. To counter that, he has appointed two reviewers to ensure the curriculum is "balanced and fair." To ensure "balance" one appointee was a Liberal Party staffer, the other runs a conservative think-tank on educational issues, and both support compulsory religious education in schools. The way of reason has no place in a neoliberal environment.

So is neoliberalism on the decline? In the US, the Republican Party and its extreme wing, the Tea Party, have all but self-destructed. The current aggressive flailing around by Abbott and his ministers, producing ever more affronts to social justice, the environment and the principles of democracy, might suggest a sabre-tooth tiger in its death throes. The Liberals won handsomely in both West Australian and Federal 2013 elections and both are fast losing public support soon afterwards.

But the very recent state election in Tasmania must give us pause. Tasmania has been devastated by conflict over the forestry industry for well over thirty years, until the industry all but collapsed through mismanagement and too strong overseas competition. The industry itself asked for a restructuring and rapprochement with environmentalists and this happened, to the amazement and vast relief of a majority of Tasmanians. But come the state election, the Liberals' main plank was to "rip up" this painstakingly negotiated Tasmanian Forestry Agreement and open up protected old growth forests – which would destroy the international Forest Stewardship Council accreditation that is essential for marketing internationally. Massive unreason you would think. Yet on the very platform that most people opposed, the Liberals won their greatest majority in 60 years. Unreason was contagious.

The Tasmanian case wasn't only about a surge of support for a neoliberal party but it does suggest that while neoliberalism will ultimately choke on its own inconsistencies, that time is not yet. But the point must surely come when the voting public wakes up to a very simple but important fact:

The way of faith, based on unreason, is not the way to run a country.

---

<sup>1</sup> Given to the Global Warming Policy Foundation on 5 November, 2013. This Foundation is a right wing think tank committed to countering the "extremely damaging and harmful policies" envisaged by governments to mitigate anthropogenic global warming.

<sup>2</sup> *The Guardian*, 25 July, 2012.

<sup>3</sup> Quoted by Mike Steketee in review of *A Thinking Reed*, *The Australian*, 7 October, 2006.

<sup>4</sup> Friedman, Milton (1962): *Capitalism and Freedom*. Chicago: University of Chicago Press. Hayek, Friedrich A. (1979): *Law, Legislation and Liberty: A new Statement of the Liberal Principles and Political Economy. Volume III: The Political Order of a Free People*. London: Routledge.

<sup>5</sup> Jean Parker, *Solidarity*, October 2012. <http://www.solidarity.net.au/50/labors-accord-how-hawke-and-keating-began-a-neo-liberal-revolution/>

<sup>6</sup> Goebbels wrote: "The most brilliant propagandist technique will yield no success unless one fundamental principle is borne in mind constantly - it must confine itself to a few points and repeat them over and over."

<sup>7</sup> Antonio Gramsci, *Prison Notebooks (1929-35)*. New York: Columbia University Press, 1992.

<sup>8</sup> George Monbiot, "This transatlantic trade deal is a full-frontal assault on democracy", *The Guardian*, 5 November 2013.

<sup>9</sup> John Ralston Saul, "The reinvention of the world - It's broke: How can we fix it?" The University of Tasmania, 27<sup>th</sup> August, 2012.

<sup>10</sup> P. Willans, "Turning politicians into corporate servants." *Tasmanian Times*, 19 November 2013, [http://tasmaniantimes.com/index.php?weblog/article/turning-politicians-into-corporate-servants-/show\\_comments](http://tasmaniantimes.com/index.php?weblog/article/turning-politicians-into-corporate-servants-/show_comments)

<sup>11</sup> Op. cit.

<sup>12</sup> <http://www.utrend.tv/v/9-out-of-10-americans-are-completely-wrong-about-this-mind-blowing-fact/>