

Article published in the Advocate 2000

A Regional Backlash has begun!

Tasmania along with many parts of regional Australia has started to reject the purist notions of Economic Rationalism. Increased efficiencies for Governments and larger companies means centralisation to the bigger cities, but this does not take into account the people who, supposedly, these policies have been made for.

For example, to cut costs and increase profits, company operations and administration offices are combined to reduce the duplication. Melbourne and Sydney are therefore booming. This also distorts the overall economic figures for the Country.

People are leaving the smaller economies for the opportunities in the larger ones.

However, the Victorian election last year saw the beginning of a political backlash. Country Victoria, also suffering like us, gave more seats to the ALP opposition than ever before. A warning for Governments and prospective Governments everywhere.

Governments are following these trends because Australia needs to become more efficient to be able to compete with the rest of the world and reduce economic and environmental wastage.

Twenty years ago the world was screaming for more efficiency within the nations of the world, as well as increased equity between them. Technology has helped to provide this and we have come along way when you consider the Asian economic miracle and the current state of world economies compared with the 1970's.

There is still a long way to go, efficiency in businesses of all sizes as well as Governments is a long way from perfect. The question is how do you measure efficiency, in dollar terms alone or the final outcome and the effect it has on people?

I ask you, what happened the last time you tried ringing a bank, a communications company or a Government Department? The voice on the end of the phone "which invariably is a recording" serves to annoy and delay the most important person, you the customer.

It is in the name of efficiency that these technological advances have been introduced, and they were needed, but one critical element is missing, the human being.

At a recent conference I attended a guest speaker by the name of "Phillip Ruthven" outlined a change in World and Australian politics. A move away from the "left" versus the "right" or Socialism versus Conservatism towards "Economic Rationalism" versus "Humanism". Mr Ruthven gave us a warning that just as with the battle between left and right of yesteryear the new battlefield of politics will need to avoid fundamentalism and extreme points of view.

The change in the focus of politics can be witnessed by the universal adoption of economic rationalism by both political parties in Australia since Prime Minister Bob Hawke came to power in 1983. The difference between Liberal and Labor now seems to be how to manage the degree of impact when introducing efficiencies. What will the impact be on the people, the human factor and the different ways to counter this, through welfare, job creation or something else.

The term globalisation has been used to explain what has been happening to the Australian economy for a while now. It means that all the worlds' economies are becoming intertwined and industries in some

nations are being wiped out because wage levels dictate that other nations can do the job for less. It's a harsh reality we have to face for the sake of efficiencies around the world.

Australia is losing much of its manufacturing based industries, examples can be seen everywhere, the woollen mills in Launceston, paper mills on the Northwest coast and the textile industries in Hobart. The developed countries are moving away from manufacturing into Information Technology and communications. The undeveloped countries are starting to move into development by adopting the manufacturing sector that we have become too expensive to sustain.

For Tasmania, the answer lies in attracting more people to the State by embracing the industries of the future "Information" and "Service". Tasmania must fight to be at the forefront of both.

Small business, property prices the whole local economy relies on the number of people there are in the community and that that number is growing. Western economies are eventually dependent upon population growth for economic growth and again eventually rising living standards.

We all aspire to leave the world to our children in better shape than how we received from our parents.

In the past I have often explained economic rationalism to be like a pendulum swinging in one direction similar to many other revolutions or social evolutions, if you like, for example, feminism, multi-culturalism and political correctness. Eventually it must come back from the extreme to settle in a more reasonable position closer to the middle.

Major decision-makers must be reminded that, as important as gaining efficiencies are, the reason we pursue them in the first place is for the people. It's no good having the most efficient economy in the world if the impact of the upheaval on the people is worse.

Efficiencies are important but not at the expense of the people, after all it's the people we are doing it for. We should lay more emphasis on the stakeholder and less on the shareholder.

It's a fine line to be walked, but Governments and policy makers must start the decentralisation of Australia and help population growth in regional and rural areas, not just because of the quantities in life, but because of the qualities of life.

It's time to temper economic rationalism with some humanism.

Tony Steven