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Catchline: ON THE DRY SIDE

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Doomsaying

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The pessimists of a thousand years ago employed the entrails of oxen to predict the coming of the Anti-Christ. As we approach the second millenium, computer models have replaced entrails, scientists priests, and research grants tithes. But are modern predictions of impending doom any more reliable?

The predictions of disastrous shortages made by the Club of Rome, and the predictions of global cooling made by several earth scientists in the early '60s suggest they have not. The first have been shown by events to be wrong, and the second have been overtaken by the belief that the world is getting warmer. It is instructive to look at how these doomsayers went wrong.

The Club of Rome's "Limits to Growth", published in 1972 encouraged a great deal of hysteria and public policy that we now know was costly. The Club told us that the world was running out of 'non-renewable resources'---particularly energy---and that population growth would ensure steadily declining living standards---particularly in Third World countries. In fact, the world quite quickly ran into an energy glut with sharply falling energy prices. And living standards in the Third World since 1972 have risen, as indeed they were rising at the time.

Indeed, in the case of several Third World countries the Club was spectacularly wrong. These have been reclassified as Newly Industrialising Countries, or NICs. Singapore, Hong Kong, Taiwan and South Korea now have living standards approaching those of Australia, and Japanese living standards have surpassed our own. We now know that these countries had more to teach us than did The Club of Rome.

Nor is success confined to the NICs. Living standards in most of the so-called Least Developed Countries (LDCs) of South and East Asia and Latin America, and in some of the LDCs of Africa as well, are rising as never before. In fact, those of them that have avoided or shaken off socialism have been catching up with the Second, or Communist, World and are narrowing the gap with the First, or Capitalist World. It will be interesting to see what happens now that the Second World is adopting the practices of the First.

The Club of Rome took some things as given---for instance, the supply of oil and the dependency of Western economies upon it. And it took some other things as changing at constant, or constantly accelerating, rates---for instance, oil consumption. Then, with the aid of a computer, it applied one set of figures to the other to predict disaster. It did not allow for the possibility that oil reserves might be increased or that dependency upon oil might be reduced. Foolishly---that is, it looks pretty foolish with hindsight---it did not allow for the inevitability that, as oil became short the price would rise, and that this unaided fact would cause more oil to be discovered and less oil to be used. Since the 1974 OPEC oil shock, oil consumption in the 26 OECD countries has fallen by about 20% and a lot of oil has been discovered.

Markets are feed-back mechanisms that cause us to correct for past mistakes and grasp new opportunities. The Club of Rome took insufficient account of negative feed-back.

The 'the-world-is-about-to-freeze' experts made a mistake that was perhaps less reprehensibly stupid but, nevertheless, serious. They took data concerning trends and extended them assuming that other things would remain constant. In the first place the trends were too short---as are the currently fashionable ozone-hole trends---and in the second, other relevant things seldom remain constant. Since the 1960s, global warming has become the more popular doom and it is now easier to get a research grant to demonstrate that we are about to fry.

Nature also has negative feed-back mechanisms. More carbon dioxide in the air will increase plant growth which will use up the carbon dioxide in the air etc. And hotter weather causes more evaporation and more day-time cloud cover which cools the atmosphere etc. That is not to say that the point of balance could not be shifted to one that is unpleasant or even impossible for humans, or that it is not a good thing to try to understand complex mechanisms. But it is foolish to become agitated about predictions based on such partial data about inadequately understood natural and cultural processes. Because when we do, we are likely to make costly public policy errors, just as we did following the Club of Rome predictions.

To take the issue of the moment: is the earth getting warmer or is it getting colder? Some of the most frequently-used data are those collected by the Climate Research Unit at the University of East Anglia. It is often claimed that these data show that the world has warmed half a degree Celsius this century. The data are, however, challenged on the ground that some weather stations are located in cities which have become warmer than the surrounding countryside. What is more, the same data can be used to show that the world is getting colder merely by choosing the 40 years from 1930 to 1970.

And there are alternative data. The Marshall Space Centre, using earth satellites and therefore not influenced by 'heat islands', has produced data showing no change for a recent ten-year period. What is more, five-year periods within the ten show a world that is getting colder and then hotter. We don't understand the weather, but we can be fairly sure that negative feedback is keeping it in its normal state of moderate abnormality.

So it is with social changes. Since the time when some of our forebears predicted that the first millenium would bring the triumph of the Anti-Christ, we have sometimes made a mess of things. But the Anti-Christ has not yet triumphed and nobody would swap today's physical resources, social or physical environment, or life expectancy for those circa 990. It seems that whenever Old Nick was given a win---and he enjoyed many---wiser and kinder forces arose to thwart him, and that, over time, the forces of light have had marginally the best of it.

Today, as then, we are probably in greatest danger when taking doomsayers at their own value. Only then do we contemplate enforcing the illiberal policies that restrict the opportunities for negative feedback and thereby put our liberal-democratic-capitalist society in real danger.

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