

Faith in Mining? An Interfaith Forum

This interactive forum about mining in Australia covers ecological, economic and social issues and reflections from a diversity of faith traditions. People of all faith traditions and none are urged to participate in this forum.

When? Sunday, 14 October 2012, 1.30pm – 5pm

Where? Auditorium, Christian Bros College, 68 The Boulevarde, Lewisham NSW 2049

Speakers? *Paul Cleary*, Journalist and author of two recently published books on mining: "Too Much Luck" and "Mine-field"

Jacinta Green, PhD Candidate, in Marine Ecology, UNSW and Stop Coal Steam Gas in Sydney campaigner

Frances Bodkin, Dharawal Knowledge Holder

Rev Dr David Reichardt, Uniting Church Ecotheologian

The Economics of Mining

Abstract

I am neither an economist nor a miner, and therefore consider myself unqualified to speak on this topic in any standard way. However, theology and eco-theology can, I believe, add value to this discussion, which is particularly important in the Australian context, by exploring the foundations of these human activities. Firstly, ecotheologians not infrequently now return to the etymological root of three words, each vitally important in our culture: "economy", "ecology" and "ecumenism", and their respective cognates. The root for each of these words is the Greek word "oikos", which means "house", or "home". Secondly, in "Collapse: How Societies Choose to Fail or Succeed" Jared Diamond included a chapter, "Mining Australia", in which mining is a metaphor for how European settler society has and is extracting wealth from the planet's most ecologically fragile continent. In this paper I shall explore some of the implications of extracting wealth from our home.

Text

Thank you, friends in Faith and Ecology Network, for arranging this seminar. It has been good to work with you on a number of occasions over some years now, and to renew our fellowship today.

I pay my respects to the Cadigal Band of what we call the Eora or the Dharug people who have taken care of this part of Country since time immemorial, and to the Wajarri people who have done the same for the area of north-western Australia which is now being mined for iron ore magnetite, the proceeds of which are exported to China.

My task is to speak for 12 minutes on "the Economics of Mining". I am neither an economist nor a miner, and therefore consider myself unqualified to speak on this topic in any standard way. My brother Phil, who works for Macquarie Bank as a technical advisor, and has a background as an engineer in the oil industry, would be better qualified to do this than me.

Though like me a devout Christian Phil differs with me on the whole set of questions.

If I were to say that Australia, as the world's largest exporter of coal, is contributing to disastrous global warming, Phil would quite likely reply that if coal-fired power stations were deprived of coal suddenly whole societies would be deprived of power, also with disastrous effects. Besides, if we forbade China and India from buying our coal they would assuredly buy it from somewhere else.

If I were to say that companies mining iron ore in north-western Australia, or fracking in the Hunter Valley, or maybe even in a suburb not far from here, are trampling on the rights of local landholders, whether they be aboriginal or Euraustralian, Phil might reply that it is all done according to the law, that care is taken to adequately compensate landholders and to restore disrupted environments, and that we must be careful not to naively believe the mass media, which tends to sensationalize stories.

And so on.

In our context today a contrarian view might be helpful, for I fear that we run the risk of “preaching to the choir”, that although we are an interfaith gathering, with all the potential for disagreement that carries, we are likely to hold similar views on faith, economics and mining, which this gathering will only serve to reinforce.

So with Phil’s help I have prepared a select bibliography with, I hope, a balance of approaches.

My task is with the arcane, dismal science of economics and the digging and delving of mining! Actually, I don’t think the economics of this topic need be difficult, and many Australians think that the consequences, at least, of mining are not dismal at all!

In summary: The BBC program we watched, “Hard Talk On the Road in Australia: The Mining Business”, reminded us that Asian economies, China in particular (but India and other countries are coming to this party too) need resources to fuel their quickly developing economies. Australia has those resources in abundance, and is relatively close.

Australia is also a stable trading partner, peaceful, prosperous and with good institutions, regulations and business morals, and an economy that has been so well managed that Australia has seen continuous growth for the past 21 years. I am well aware of the argument that says the planet cannot afford continuous growth, and our “growth fetish”, to use Clive Hamilton’s term, is hastening our demise. Yet to give credit where credit is due, Australia, the world’s 53rd most populous nation, now has the world’s 12th largest economy and the 3rd most prosperous citizens. Critically, our unemployment rate is little above 5%.

So, from before the Asian Crash of the late ‘90s to after the Global Financial Crash Australia has managed our economy well, the mining boom has brought us vast riches, and good times are rolling.

That is the case for the secular affirmative. That is to say, that we SHOULD put our faith in mining, although those whom Bernard Keane and Glenn Dyer call “ideological warriors” continue to deny that the Labor government manages the economy well.

That secular case for what amounts to massive exploitation of resources is often bolstered by a religious dimension. For example, during his interview with Stephen Sackur on the program we watched Clive Palmer hinted at a belief in a God who gave these opportunities to become rich, in his case through mining. These opportunities were to be realized by hard work. The great riches he (Palmer) had accrued brought with them the responsibility to help others in various ways.

My problem with both the secular and the religious approaches I've just summarized is that they are too narrow.

Sure, every society has an economy. The better that economy is managed, and the better it functions, the better that is for the society as a whole and individuals and groups in it. That's an intuitive statement from an economic layperson, but I don't think economists would disagree.

And sure, every technologically advanced society needs the products of mining. My brother Phil suggested that I invite us all to consider what products around us have steel in them, and what we'd do without them. I take his point. Unless we decide live like the indigenous Na'avi of the moon Pandora in the film Avatar we will need the products of mining.

My problem is that we've become to much like the humans of that film, wrecking environment and acting unjustly towards other beings in the single-minded pursuit of the aptly named "unobtainium", and consequently of great wealth.

To cut to the chase, greed is the problem.

But although it's necessary to name greed, it's not sufficient. That is because we live in a civilization that has for more than 2 centuries developed economic systems that allow and indeed in many cases justify greed. We have developed economic, social and ethical theories, and even theologies that need to be challenged and exposed as wrong IN ORDER TO name greed for what it is.

So let's go to some definitions, The first, a stock, standard definition of economics, taken from Wikipedia:

"Economics is the social science that analyzes the production, distribution and consumption of goods and services."

My resort to Wikipedia is backed up by economist Stephen Dodds' description of economic activity:

"Economic activity consists of the production and exchange of goods and services, usually through the exchange of money."

In a paper he gave here 2 years ago my colleague Clive Ayre noted

"...a number of difficulties arise when a wider and deeper context is not taken into account."

Ayre questioned the current "econocentric" approach, dominant in western societies, stated that the concept of

"the 'good life' as defined by greed and the acquisition of wealth needs not only to be questioned, but seriously debunked",

argued that

"notions of growth and progress need to be carefully scrutinized",

noted that

“established political systems seem to find it difficult to differentiate between short and long term goals”

and reminded readers that

“the economy-environment conflict ultimately arises from the impossibility of economic markets to place ecologically meaningful values on the functions and attributes of the biophysical world.”

A number of theologians now note that western societies have moved to an understanding of economics that is far too narrow, and remind readership that the term economics comes from the Koine Greek word **oikonomia**, "management of a household, administration", itself from **oikos**, "house" + **nomos**, "custom" or "law", hence "rules of the house(hold)".

That provides a far broader, more inclusive, and I think more helpful basis for understanding economics than the narrow definition speaking of production, distribution, consumption, goods and services I gave you .

Particularly when one notes that the word **oikos** was also joined by Ernst Haekel in 1866 with **logos** to form a new word: **ecology!**

Economy, as understood as the management of the house, and Ecology, as understood as the study of the house, are joined at the hip!

And they are two of a triplet. The third English word that has sprung from the Greek parent **oikos** is **ecumenism**, which is derived from **oikumene**, meaning **the whole inhabited world**.

I suggest that if our society returns to these understandings of economics we will have a far better basis for appropriate use of the earth's resources. That of course includes mining activity.

In “Collapse: How Civilizations Choose to Fail or Succeed” Jared Diamond wrote a chapter called “Mining Australia”. Mining is a metaphor for Australia environmental history and current predicament, he wrote. The essence of mining is to exploit resources that do not renew themselves over time. That is what we in Australia do with forests, fish, topsoil and many other aspects of this, the world’s most ecologically fragile continent.

Diamond has been met with fierce resistance, of course, not least from Jennifer Marohasy, an Australian biologist and libertarian who has accused him of keeping on “making it up”.

And yet, as late as this week a Swiss friend who forewent a prominent business career in Europe to migrate to Australia some years ago bemoaned our tendency to keep “selling off the farm”. In Diamond’s terms that equates to economic mining!

As Lynn White, father of ecotheology pointed out, all living beings affect their environments. Humans do this more than all other beings, simply to live. But while our social discussion about how to live is framed by an economic theory that defines economics without taking environmental context and wider human concerns into account, we are opening the way for our innate greed to take over. And greed is not interested in sustainability.

Thank you.

Select Bibliography

Primary Input

<http://www.youtube.com/watch?v=oNbl-ddFNb8&feature=related>

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Economics

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Ernst M. Conradie *An Ecological Christian Anthropology: Home on Earth?* Aldershot: Ashgate, 2004

E.F. Schumacher *Small is Beautiful: Economics As If People Mattered* New York: Perennial Library, Harper & Row, 1973.

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Mining

Chris Dalton *How an Australian Theology of Land can inform the Public Debate Surrounding Coal Seam Gas* PhD Research Proposal, 2012

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The Mining Council of Australia website <http://www.thisisourstory.com.au/default.aspx>

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<https://www.csrm.uq.edu.au/>