

December 2018



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independent, rigorous, practical

We are independent, taking the perspective of the Australian public interest rather than any interest group, and we avoid commissioned work to ensure this independence. We are rigorous in obtaining the best available evidence from published work and collecting and analysing our own data. We are practical in articulating what governments should do to improve the lives of all Australians.

A summer reading list for the Prime Minister

Reading a well-written book that has something important to say can change the way we see the world and inspire us to do things differently.

As much as any of us, the Prime Minister deserves some time out occasionally to enjoy reading something that challenges, enlivens and entertains. So every year Grattan Institute compiles a summer reading list for the Prime Minister (and his parliamentary colleagues).

The list contains books that we believe the Prime Minister – or indeed any Australian – will find stimulating during the long days of summer, or at any time of the year. They're all good reads that say something interesting about Australia, the world and the future.

The Prime Minister could enjoy these books on a kindle or audiobook during his morning commute, on a beach somewhere on a well-deserved summer break, or even in the long hours aboard his campaign bus.

While we don't stand by every word in these books and articles, we believe they provide excellent food for thought. We enjoyed reading them, and we hope our leaders do too. We want them to have a refreshing break and return inspired to lead the country in 2019.

Factfulness

Hans Rosling (Sceptre, 2018)

The People vs Democracy

Yascha Mounk (Harvard University Press, 2018)

Rusted Off

Gabrielle Chan (Penguin Random House Australia, 2018)

No Friend but the Mountains

Behrouz Boochani (Pan Macmillan Australia, 2018)

Women & Power

Mary Beard (Profile Books, 2017)

Flames

Robbie Arnott (Text Publishing, 2018)

Factfulness

Hans Rosling

'Factfulness' (noun), [fakt-ful-nis]: the relaxing habit of only believing things that are based on facts

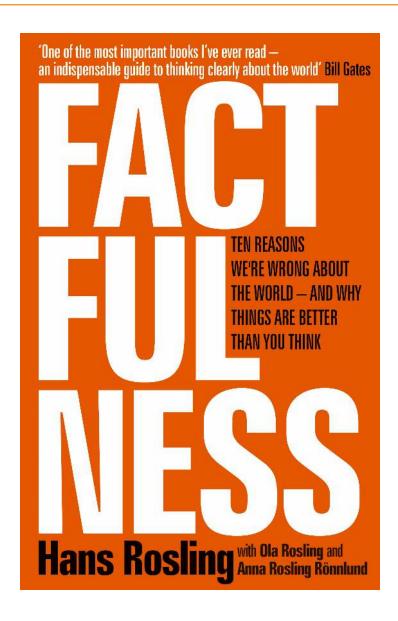
Hans Rosling starts *Factfulness* with a pop-quiz. The questions are straight-forward, but a surprisingly high number of people get them very wrong. Even people who are used to doing well on such tests get an F: Nobel laureates, attendees of the World Economic Forum, prominent academics, and policy wonks all fare poorly.

Rosling's quiz isn't on advanced calculus or obscure grammar rules. It's about the state of the world. He asks about what affects people every day: poverty, wealth, population growth, education, health, the environment, and more. Few people pass because most people think the world is much worse than it really is.

This lack of understanding is a problem, Rosling says, because we can't make the world a better place without knowing where – and how – progress has already been made. An over-dramatised worldview is likely to make people more gloomy about our future than is warranted. People who care about improving the lives of others may focus too much on the wrong things, or give up, hopeless and disengaged.

In fact, we live much better lives than our grandparents. Billions of people have risen out of poverty. And good policy has time and time again made a difference.

Factfulness is a joy to read. Rosling is a master at combining data and story-telling. He exposes the tricks of the mind which lead all of us to underestimate the power of human progress. In so doing, he pinpoints where we can – and should – do better.



The People vs Democracy: Why our freedom is in danger and how to save it

Yascha Mounk

Like many, Yascha Mounk believed that the victory of liberal democracy was inevitable. But over the past decade, authoritarian populist candidates rose to power in Poland, Hungary, Turkey and India. Surveys show a growing proportion of millennials are ambivalent about democracy. Even the world's most powerful liberal democracy – the United States – elected a president who demeans democratic norms, such as respect for the courts and the free press. Mounk laments that liberal democracies can unravel more readily than we have assumed.

What's the problem? Mounk decouples the concept of 'liberal democracy': liberalism comprises independent institutions (such as the judiciary) and the protection of individual rights; democracy is public policy formed by the will of the majority. The two concepts can conflict, and balancing them is the trick to a flourishing liberal democracy.

But the growing power of unelected technocrats shifted the balance towards 'rights without democracy'. People's votes don't influence public policy so much. And interest groups have become more powerful, so that fewer decisions are made that benefit the public.

Mounk argues that this created the opportunity for populist leaders to seize power by promising to be the true voice of the people. And these leaders are often tempted to undermine liberal institutions, presaging a slide into authoritarianism.

The solutions are neither obvious nor easy. Mounk suggests some: stressing our shared values; ensuring the benefits of economic growth are well spread; reinforcing the benefits of liberal institutions; and rebuilding trust in politicians through transparency and tighter controls on money in politics. This is not 'politics as usual', and the stakes could not be higher.

YASCHA MOUNK THE PEOPLE VS. DEMNCRAC' WHY OUR FREEDOM & HOW TO SAVE IT

Rusted Off: Why country Australia is fed up

Gabrielle Chan

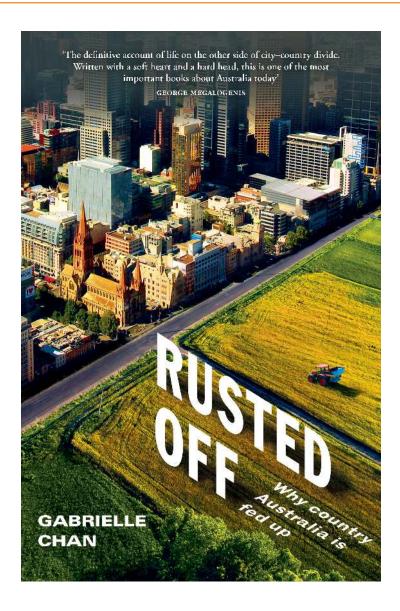
Growing up in Sydney, Gabrielle Chan thought of rural Australia as "Another Country . . . a land in a fairy tale, existing only in books and movies". Then in 1996, she married a farmer, and moved to a sheep and wheat farm in the southern NSW town of Harden. The unusual combination of life in the bubble of the Canberra press gallery and the open spaces of 'the bush' have given journalist Chan a perspective on why rural voters are fed up with politics, deserting major parties even faster than city residents.

The deepest difference she uncovers between city and country folk is connection to 'place': identity, family background and history, all linked to a town or a region. In the city, people's identity is often built around their job, and their connections are to people with similar education or interests. But in the country, the connection is place.

So, people from the country get upset when city-based power centres impose one-size-fits-all policy solutions. They resent the gravitational pull of academia that draws kids away from the towns where they grew up. They take it personally when dis-economies of scale shut down local services. And they hate being stereotyped by city-dwellers as stuck in the past, not smart enough to get out.

Chan draws on personal stories – including her own – to illustrate how the gulf between Main Street and Canberra is widening, sapping voter faith. The way to win back country voters, she suggests, is not decentralisation policies, throwing money at boondoggles, doubling down on social conservatism, or blaming it all on migrants or city-slickers.

Instead, Chan thinks that we need more authenticity, a real acknowledgement of the cultural divide, and willingness to do the hard work to rebuild community cohesion between city and country Australia.



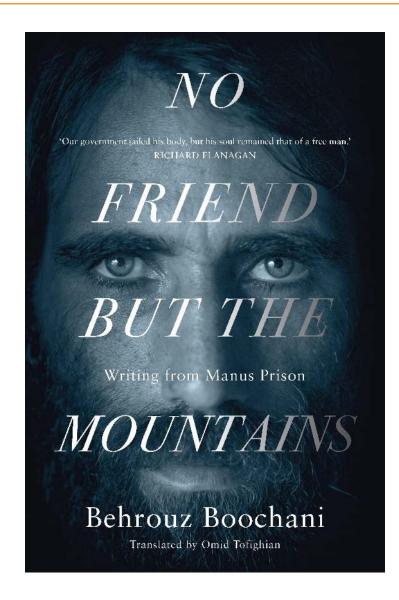
No Friend but the Mountains: Writing from Manus Prison Behrouz Boochani

An Iranian refugee who has been held on Manus Island in Papua New Guinea for five years, Behrouz Boochani is a journalist, poet, film-maker and a painfully gifted writer.

No Friend but the Mountains has its genesis in WhatsApp and text messages sent in furtive fragments to Boochani's translator Omid Tofighian. Yet it is deeply literary, a book rich in Kurdish culture and tradition. He describes a three-tiered hierarchy that oppresses everyone. Australian guards, or 'Rhinos', cruelly preside over the local officers, or the 'Papus', and the sick, hungry prisoners 'trapped in a tunnel of tension', their daily life dictated by meaningless rules and regulations. Even card games are forbidden. They must queue for food, for showers, for sanitation, and for medication. Tofighian aptly describes Boochani's writing style as 'horror surrealism'.

No Friend but the Mountains is undoubtedly horrific. Boochani's journey begins on a leaking boat from Indonesia and culminates with the violent death of Iranian asylum seeker Reza Barati. Boochani's claustrophobic narrative of the Manus compound is interspersed with poetic prose, but there is no respite from the hell he describes. The conditions are oppressive. The foul smells overwhelming – the stench of fetid human waste, of sweat and bodies, of rancid breath, a stench 'so vile that one feels ashamed to be part of the human species'.

Shame indeed. In his foreword, author Richard Flanagan declares that reading *No Friend but the Mountains* will be difficult for any Australian. He is right. Behrouz Boochani's first-hand account of Australia's asylum-seeker detention regime is gruelling – but essential – reading. It is an extraordinary, brutal piece, a gift of courage from a nightmare of repression and cruelty.



Women & Power: A Manifesto

Mary Beard

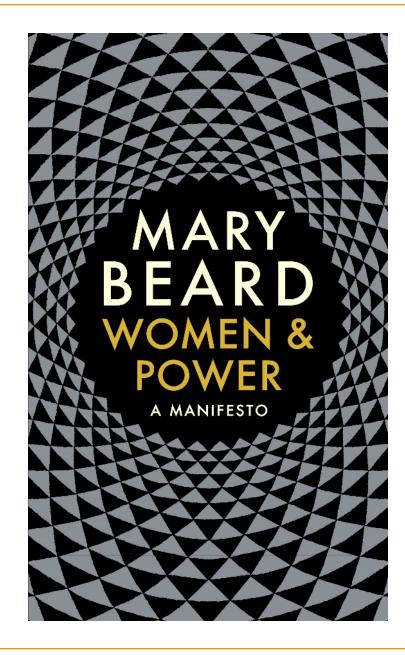
Women remain under-represented at the highest ranks of society. Whether in government, academia, or business, gendered power imbalances are regrettably common, and stubbornly persistent.

In this brief yet potent manifesto, acclaimed classicist Mary Beard traces the origins of misogyny to its ancient roots. Drawing on her expert knowledge of Greco-Roman history, Beard deftly juxtaposes classical and contemporary examples of women's struggles within patriarchal systems of power. From Medusa to Hillary Clinton, Athena to Margaret Thatcher, or Philomena to Elizabeth Warren, the striking parallels between past and present raise important questions about the treatment of women in the public sphere:

How are women's voices heard, and why is this different to the reception granted to the speech of men? What are our perceptions and expectations of women who exercise power? And why don't our definitions of power accommodate any expression of femininity?

Women & Power is a call to arms. With a combination of wry wit and sharp urgency, Beard implores her readers to challenge the idea that power is fundamentally masculine. She rejects the expectation that women should contort themselves to fit an ideal that, for millennia, has excluded them from the upper echelons of society. Beard urges society to reframe its definitions of power in the pursuit of real equality.

Understanding how we've got here is often the first step to progressing further. Ninety minutes reading this book provides invaluable tools for shaping a culture that empowers women.



Flames

Robbie Arnott

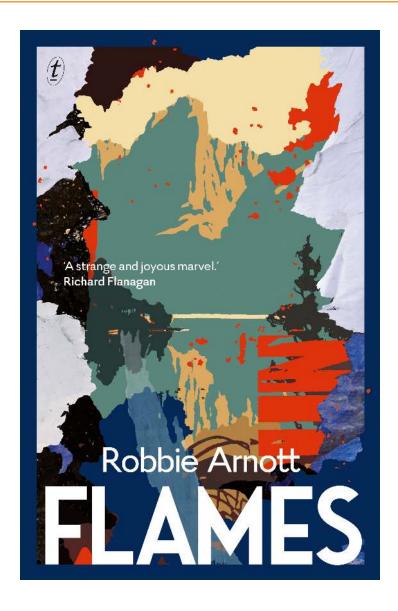
When Charlotte and Levi's mother returns from the dead, Levi resolves to build his sister a coffin. Charlotte, not taking these developments well, decides to leave – and embarks on a journey through the wild Tasmanian landscape. On her way, she meets a private investigator who seems to run on gin, a river god, a farmer who is on a Stanley Kubrick-style descent into madness, and, perhaps, somebody she can love and trust.

This is Robbie Arnott's first novel, and it is delightful. He jumps playfully between different writing styles in every chapter, telling the story of Charlotte and her brother from the perspective of a different character each time. It's a lot of fun for his readers (and, one imagines, for the author too).

One humorous chapter follows written correspondence between Levi and a renowned – if a bit gruff – coffin-maker, who initially resists Levi's pleas for help with his project, but finally relents due to 'a longstanding difference of opinion with the Tax Department'. Another chapter echoes the style of film noir. Another, the magical realism of Gabriel García Márquez. Another, a gossipy autobiography of a small-town matriarch.

The hum of the Tasmanian bush is the one constant, providing a familiar backdrop to the surreal events that unfold. It is here that Arnott shines as an author. In many ways, the story in *Flames* is very simple. The book's complexity, depth, and beauty come from its delicate exploration of the link between people and their environment.

It's been a tough year. We all need a little escape. And Arnott provides one in this enchanting story that also captures something very real about Tasmanian life.



Summer reading for 'wonks'

A few books and articles that the Prime Minister's advisers might be reading ...

Nicholas Gruen, *The Irredeemable in Pursuit of the Insatiable*, Inside Story, 2018. https://insidestory.org.au/the-irredeemable-in-pursuit-of-the-insatiable/

Modern society is far from perfect. And Nicholas Gruen can tell you — in fewer than 5,000 words — how to fix it. Highlighting market failures from the finance industry, academia and other professions, Gruen makes the case for a better reform agenda: one in which politicians and bureaucrats move beyond the stale dichotomy of free-market or government-intervention, and instead focus on 'refurbishing the institutions of the mixed economy'. Erudite and cogent, this essay takes the scandals unearthed by the banking royal commission and elsewhere to demonstrate so-obvious-they-missed-it ways for decision-makers to do better. Gruen's piece is a timely reminder for policy wonks to aim higher; to find the courage to break the mould and find 21st century solutions to 21st century problems.

Bri Lee, Eggshell Skull, Allen & Unwin, 2018.

Bri Lee's experiences as a judge's associate illustrate the failings of a system where sexual assault victims have to face their abusers in court, have their every move and choice interrogated, and remain exposed to the prejudices of 12 individuals on a jury. These experiences also revive Lee's own trauma, but give her the courage to confront her own abuse, and bring her abuser to trial. *Eggshell Skull* is a harrowing memoir of personal trauma, a clear-eyed description of how the legal system fails assault victims, and a tale of a young woman's extraordinary courage, to stand up, speak out, and fight back.

Jeff Borland and Michael Coelli, *Are Robots Taking Our Jobs?*, Australian Economic Review, 2017.

Concern about technology taking our jobs has been with us, through peaks and troughs, since the Industrial Revolution. In 1966, during one of the peaks, Herbert Simon – eventual winner of both the Alan Turing medal for 'inventing artificial intelligence' and the Economics Nobel Prize for bounded rationality – lamented: "The bogeyman of automation consumes worrying capacity that should be saved for real problems." In 2018 we are back to peak concern – again. Borland and Coelli use 50 years of Census data to 2016 to show that there is 'no radical transformation underway in the Australian labour force'. More demand for graphic designers balances out less demand for printers and graphic press workers. Since 1966, demand for 'abstract' employment *has* grown faster than routine and manual work. But the pace of this change has remained stable for half a century. There is a real policy problem: re-employment and support of displaced workers. But this is not new, nor is the problem worse. We do not live in 'special times'.

Paul Tucker, *Unelected Power: The quest for legitimacy in central banking and the regulatory state*, Princeton University Press, 2018.

'We need to take the politics out of [insert policy area here].' It's a well-worn trope in public policy debate, both in Australia and elsewhere. But when is it really appropriate to put policy decisions in the hands of independent technocrats, and what conditions should be attached? Paul Tucker tackles these questions in *Unelected Power*. Tucker spent much of his career as a senior official at the Bank of England, during the shift towards independent monetary policy in the 1990s, and the accumulation of new regulatory powers after the Global Financial Crisis. Based on his experience, delegating powers to independent agencies is not always the right answer.

Peter Mares, *All Work, No Stay?*, SBS, 2018. https://www.sbs.com.au/allworknostay

Australia's population reached 25 million this year. The Prime Minister has called for a stricter cap on the number of permanent migrants. But long-term migration has been flat since the end of the mining boom. How can politicians and the public make sense of this? In a stunningly visual online article, Peter Mares explains the rise of a new class of migrant – the temporary worker. Often exploited and rapidly growing, this group forces Australians to reconsider our values and national identity: do we still want to be a nation of permanent migrants, and if not, what is our duty to protect temporary workers during their time here? With clarity, an eye for detail, and interactive charts that will delight data-lovers, Mares takes readers through the numbers.

Bryan Caplan, *The Case Against Education: Why the education system is a waste of time and money*, Princeton University Press, 2018.

We don't need no education. Or, at least, so says Bryan Caplan. Decades of growing access to education have not resulted in better jobs for the average worker, just runaway credential inflation, he writes. Individuals do benefit from education, but less from anything they've learnt, and more from 'signalling' their capability. Completing education signals pre-existing capabilities, such as persistence, conformity and tolerance of dull tasks. Caplan's conclusion? We should slaughter a whole herd of sacred cows: education spending should be drastically cut, school education should be neither government-subsidised nor compulsory, students should learn less history, foreign languages and music. He draws on voluminous research, and writes in an accessible, conversational style that allows the reader to almost enjoy having their articles of faith mocked. Whether he's right or wrong, Caplan forces the reader to think differently.



Independent, rigorous, practical

Grattan Institute is an independent think tank dedicated to developing high-quality public policy for Australia's future. It was formed in 2008 in response to a widespread view in government and business that Australia needed a non-partisan think tank providing independent, rigorous and practical solutions to some of the country's most pressing problems.

These three words are vital to Grattan's mission. We are **independent**, taking the perspective of the Australian public interest rather than any interest group. We avoid commissioned work to ensure this independence.

We are **rigorous** in obtaining the best available evidence from our own data analysis and from published work. And we are **practical** in articulating what governments should do to improve the lives of all Australians.

Grattan runs policy programs covering Australian Perspectives, Economic Growth, Budget Policy, Institutional Reform, Transport and Cities, Energy, Health, Higher Education, and School Education. We chose these areas because we believe they are vital to shaping Australia's direction as a liberal democracy in a global economy.

We also believe they are areas where evidence-based analysis and lively debate can change the minds of policy makers and the public. All our reports and public events are free and can be viewed online.







Vocational education can solve oversupply of

In many wealthy countries, including Australia, 40% of young adults are likely to achieve a bachelor degree or above. But policy-makers and others wonder whether we might have too much of a good thing.



The tooth hurts but Victoria's public dental

Our dental care system is not working for a lot of Victorians. More than half a million Victorians say that the cost of dental care stopped them from getting care when they needed it in the past 12 months.



30 October 2018

State Orange Book 2018: Policy priorities for states and territories

A conversation with the contributors to the Grattan State Orange Book 2018. State and territory governments can do more to improve the lives of Australians. In many cases, states are different because their governments adopted better policies. Every state should learn from the others and do better

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