



A summer reading list for the Prime Minister

December 2011

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Summer is a great time to relax with friends and family, to take a vacation, to reflect on the year past – and to read.

During the year it can be hard to find spare time for reading. This is especially true for our elected leaders, who have less free time than most. So every December the Grattan Institute releases a Summer Reading List for the Prime Minister.

The list contains books and articles that we believe the Prime Minister – or indeed any Australian – will find stimulating over the break. They're all good reads that we think say something interesting about Australia and its future.

While we don't stand by every word in these books, they provide excellent food for thought. We enjoyed reading them, and we hope our leaders do too. Most importantly, we hope they have a refreshing break and return inspired to lead the country in 2012.

- **Fair share**, Judith Brett
(Quarterly Essay 42, 2011)
- **Cities for people**, Jan Gehl
(Island Press, 2010)
- **There goes the neighbourhood**, Michael Wesley
(University of New South Wales, 2011)
- **Balancing the risks, benefits and costs of homeland security**, John Mueller and Mark G. Stewart
(article available at <http://www.hsaj.org/?article=7.1.16>)
- **The rational optimist**, Matt Ridley
(Fourth Estate, 2010)
- **Cold light**, Frank Moorhouse
(Random House Australia, 2011)

Fair share

Judith Brett

Many city-based economists are bemused by today's regional assistance policies. Judith Brett's *Fair share* provides a deep historical understanding to explain them.

Regional assistance has a rich heritage. State-owned enterprises from the Post-Master General to electricity and irrigation utilities had mandates to subsidise regional services. Soldier settlement programs explicitly aimed to boost regional populations. As Brett shows, regional Australia has an "historic sense of entitlement to special treatment", often expressed as a claim to a "fair share".

Historically this claim was justified as recompense to the bush for having to pay high prices as a result of tariff barriers, and by the belief that national security required us to "populate or perish". The popular imagination also clung to the "Australian Legend" of the itinerant male bushworker, whereas urban workers seemed indistinguishable from their counterparts in cities the world over.

Yet these claims are breaking down. Tariffs are dismantled. The University of Western Australia no longer bans books that point out that much of Australia cannot support large populations. Increasingly the Australian archetype is a successful graduate in a big city. Yet the concerns of country independents who now hold the balance of power still resonate. Hopes that the NBN will drive regional population growth, and calls for "food security" are part of a larger pattern that *Fair Share* enables us to see.

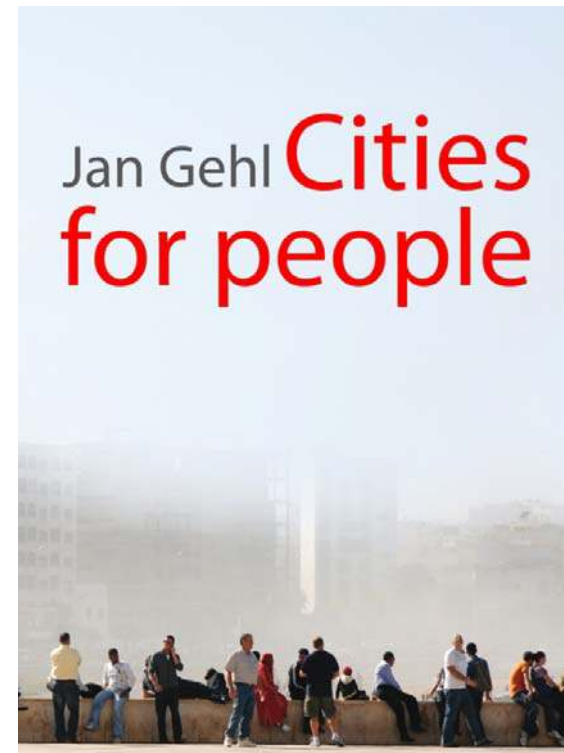


Cities for people

Jan Gehl

In *Cities for People*, Jan Gehl argues that good cities are designed at a human scale. Cities that work, he says, are founded on an understanding of the relationship between buildings, the spaces between them, and how people behave. He argues that the “human-eye” perspective is too often overlooked, leaving us with cold and uninviting streets and cities. Gehl brings his ideas to life with a host of photos and illustrations. By contrasting good public spaces with bad, he builds a vivid picture of what great small-scale design can do for a city.

His examples – taken from across the world, but including many from Australia’s cities – illustrate both the progress that’s been made and the task that lies ahead. As Gehl notes, the battle for quality needs to be fought not just in inner areas, but in suburbs and greenfield developments too. Finding ways to make these places work for real people won’t be easy and no one model applies. Although *Cities for People* doesn’t have all the answers, it provides us with concrete and lively lessons.



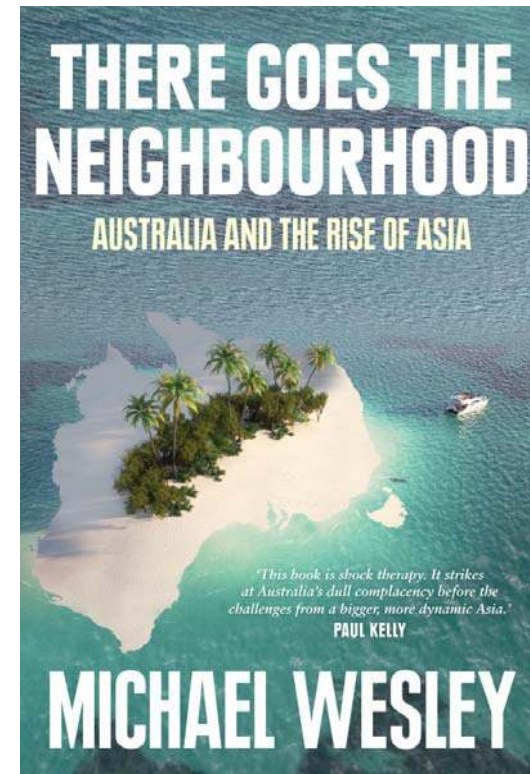
There goes the neighbourhood

Michael Wesley

The last three decades have been kind to Australia. As Asia grew, it bought minerals, food and education from Australia, while supplying cheaper manufactured goods. We also played our hand well by opening to the world – reducing tariff barriers, and exposing capital markets. Our living standards rose fast.

As Michael Wesley explains in *There Goes the Neighbourhood*, Australia also succeeded in influencing international events in its interests. APEC was formed, the Cairns Group helped to conclude the Uruguay Round of world trade talks and the G20 rose in importance. Meanwhile, despite the hand wringing of foreign policy experts, Australia led a charmed life: Japanese militarism did not re-emerge after WW2, the communist menace in Asia faded away, US isolationism never happened, and Asian countries did not restrict access to their markets.

But over the next three decades, Australia may need to move on from its historic strategies of promoting multilateralism and a close alliance with the United States. Wesley argues that as Asian countries grow economically and strategically, our neighbourhood is likely to become “multi-polar”. Bilateral relationships will matter more, and the United States less. Meanwhile, Australia may become a richer diplomatic prize given its geography, resources and history. But Wesley believes that to take advantage, Australia needs to grow out of its insular complacency.



Balancing the risks, benefits and costs of homeland security

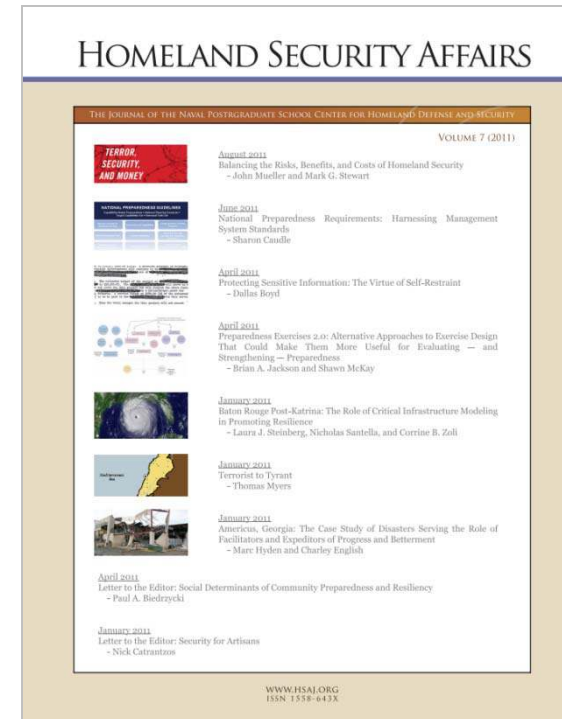
John Mueller and Mark G. Stewart

(article available at <http://www.hsaj.org/?article=7.1.16>)

Since 9/11, the US has increased its homeland security spending – excluding the costs of conflicts in Iraq and Afghanistan – by \$1 trillion. While small in comparison, increases in Australia have been far from trivial in absolute terms.

Are we safer? “Of course we’re safer” answer John Mueller and Mark Stewart, but it’s the wrong question. Instead, we should ask whether the money spent can be justified by the reduction in risk. Their careful analysis (fleshed out in the book *Terror, Security and Money*) culminates in the sobering finding that to justify the costs of extra measures, homeland security would need to have prevented since September 2001 four attacks every day similar in magnitude to the foiled Times-Square bomber of 2010.

Mueller and Stewart argue that in the game of government, “security trumps economics”. This sounds reasonable enough, until we reflect that “economics” here stands for hospitals, roads, schools and the myriad other investments that could improve our lives. In an era when national budgets across the world are under fierce pressure, the article prompts us to scrutinise *all* public expenditures. It is also a reminder to apply reason, evidence and good sense to an issue where impulse and political expediency can dominate too easily.



The rational optimist

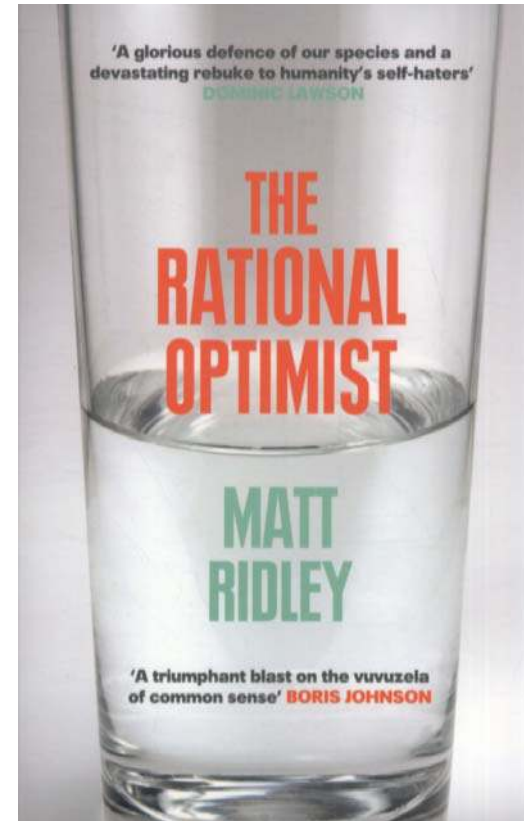
Matt Ridley

Predicting disaster has always sold well. But, over the last 10,000 years, things have usually turned out much better than expected.

In *The Rational Optimist*, Matt Ridley documents the relentless rise in human wellbeing, and identifies the factors that explain it. First and foremost is trade – the exchange of one valuable thing for another. Ridley argues that this uniquely human trait results in specialisation, cities, and the growth of compassion. Trade also allows innovations to be developed, copied, and combined in ways that have generally increased prosperity despite population growth and finite resources.

Ridley's argument is that wealth is likely to lead to stable populations and increased environmental quality – provided that we put a proper value on finite resources. There are ever-present dangers: trade and innovation can be systemically stifled and governments can allow self-interested groups to extort the fruits of prosperity.

But the evidence in the book suggests we need vigilance, not hysteria. There were plenty of doomsday predictions in the early 1800s. But as Thomas Macaulay said at the time, *"We cannot absolutely prove that those are in error who tell us that society has reached a turning point, that we have seen our best days. But so said all who came before us, and with just as much apparent reason"*.



Cold light

Frank Moorhouse

Cold Light is about power, secrecy, the mortal struggle between capitalism and communism, – and urban planning. This compelling story is set in the still largely empty spaces of Canberra, a mere 23 years after its founding.

Edith Campbell Berry, the heroine of two earlier novels by Frank Moorhouse, worked at the League of Nations in Geneva. Now she is back in Australia, in search of a good job. But she is a woman in 1950s Canberra, and as the newly elected Menzies Government is introducing a bill to ban the Communist Party, she discovers that her brother, Frederick, is an active communist. Edith gets a job, but is denied her ambition to become Australia's first female ambassador. Instead, she is caught up with the planners designing the capital and the dream that it should be "a city like no other."

Frank Moorhouse once lamented the fact that, despite all their riches of human experience, Australian novelists had disdained the realms of government and business as ciphers too corrupt and foul for their art. But writing by journalists, academics and policy wonks cannot provide a complete understanding of our society. Fiction also has a vital role; for some readers, *the* vital role. Hopefully Australian culture is broad and rich enough to produce more novels like *Cold Light*.

