

December 2016

2016 Summer Reading List for the Prime Minister



A summer reading list for the Prime Minister

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

During the year it can be hard to find time for reading. Our ministers and MPs have less free time than the rest of us. So every year 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 say something interesting about Australia, the world and the future.

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 hope they have a refreshing break and return inspired to lead the country in 2017.

- **The Phoenix Years: Art, resistance and the making of modern China**
Madeleine O'Dea (Allen & Unwin, 2016)
- **Talking to my country**
Stan Grant (Harper Collins, 2016)
- **Time for a new consensus: fostering Australia's comparative advantages**
Jonathan West and Tom Bentley (Griffith Review, 2016)
- **When and why nationalism beats globalism**
Jonathan Haidt (The American Interest, 2016)
- **The Life Project: The extraordinary story of our ordinary lives**
Helen Pearson (Penguin Random House, 2016)
- **Autumn**
Ali Smith (Penguin Random House, 2016)

The Phoenix Years: Art, resistance and the making of modern China

Madeleine O'Dea

The rise of modern China is one of the great economic tales of our time. But what have been the social consequences? What has it felt like to live through such rapid economic, social and cultural change?

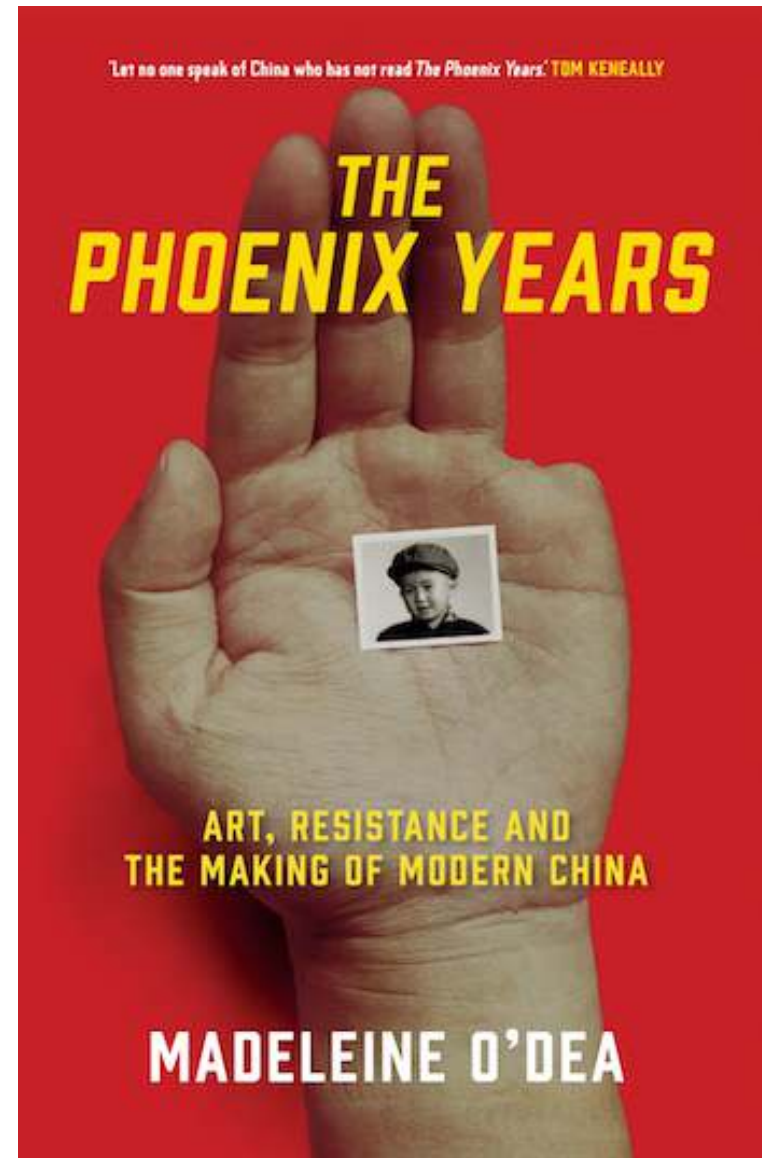
O'Dea tells the tale of China's last four decades through the personal stories of nine Chinese artists, and as an eyewitness herself.

As a young Australian foreign correspondent, O'Dea arrived in China in the late 1980s to cover the economic reforms of Deng Xiaoping. She became captivated with China's blossoming art scene and has been reporting on China ever since as a writer and journalist.

O'Dea guides us through the years of self-discovery and hope in the 1980s, which ended in the disaster of the Tiananmen Square massacre. Then she describes the despair and cynicism of the 1990s, the fallout from decades of growth and change since, and the nervous strain between the individual and the state that continues today.

We meet the artists who have lived and breathed the dreams, excitement, reversals and disappointments of their times. The story of their ongoing struggle for freedom of expression provides a window into the lives of Chinese people living through forty years of extraordinary economic and social change.

The Phoenix Years reveals the creativity, hopes and tensions bubbling below the surface of modern China – and occasionally boiling over. O'Dea shows us how the biggest push for change is coming from below.



Talking to my country

Stan Grant

"My people inherit the loss of our country. It has proven as incurable and potentially lethal as any cancer."

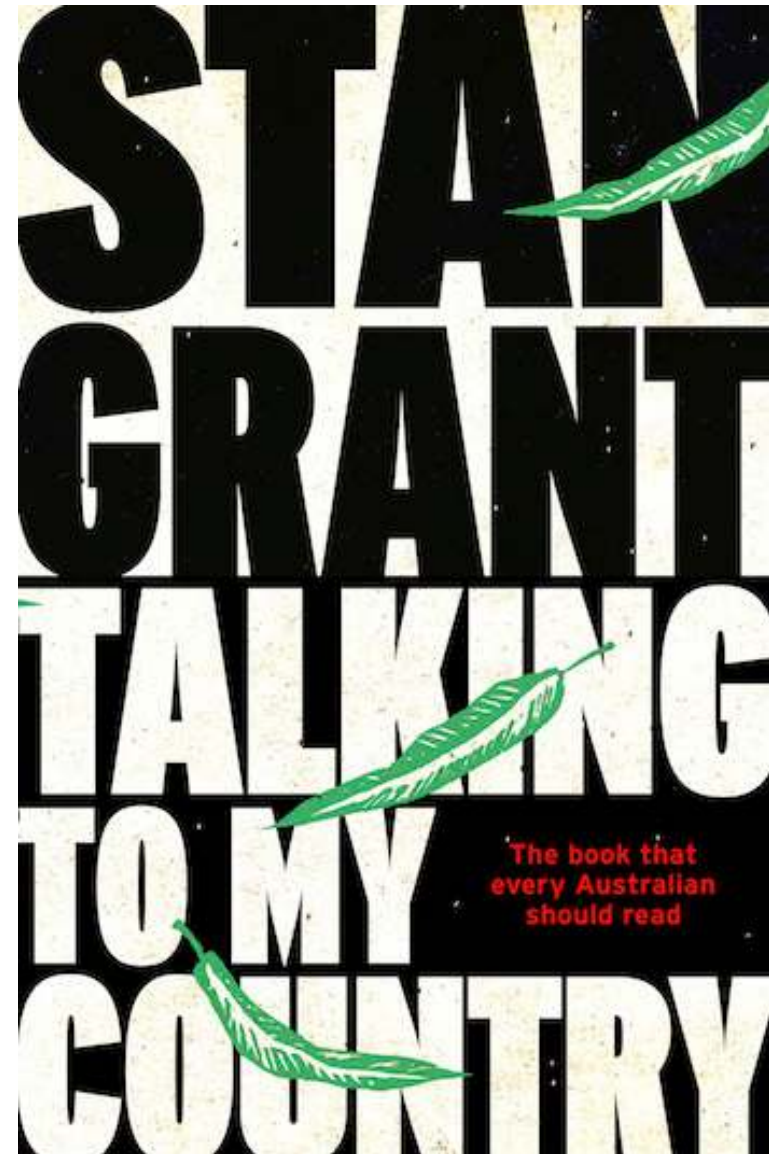
Stan Grant is a beautiful wordsmith. *Talking to my country* is an honest, confronting and moving personal story that combines past and present wars with Grant's lifelong search for identity.

Grant's career as a journalist has spanned wars in Iraq and Afghanistan, terrorism in Pakistan, and reporting from China and North Korea. When he left Australia he felt suffocated, but these new experiences awakened a deeper trauma and gave him a unique perspective on Australia.

Grant grew up moving around country towns in central NSW before landing in Canberra. He takes the reader on a journey through his ancestral homelands, illustrating each place with the history of his family – who were on both sides of the frontier.

Throughout, Grant's personal story reflects a much larger narrative. He shows us how frontier history remains relevant today in the way that it shapes peoples' lives, in particular his own.

Talking to my country explores the contradictions and uneasiness of modern Australian identity. There is self-doubt, anger, fear, meditation, pragmatism and hope – it's an enthralling mix. This is a story for all Australians.



Time for a new consensus: fostering Australia's comparative advantages

Jonathan West and Tom Bentley

A 'consensus' tends to frame both politics and policies. And it lasts until the dissonance with reality becomes too loud to ignore.

As West and Bentley outline, the first 80 years of Australia's history were framed by racial and workforce insulation; a highly regulated industrial relations system; high tariffs to encourage manufacturing; and equalisation of incomes between states and families.

But with living standards falling compared to the rest of the world, and an economy battered by international shocks such as the oil crisis, Australia forged a different consensus in the 1980s. The economy was opened to the world, as the dollar floated and tariff barriers fell. Labour markets and industries were deregulated, and government businesses were privatised. Services and migration grew. The social safety net widened. Productivity rose, and so did prosperity.

West and Bentley argue that this consensus has reached the end of its road. It's run out of steam on social reform and only offers small beer answers to slow economic growth. Politics is struggling to deal with budget deficits, the rise in wealth inequality, the growth of external debt, and the corresponding fall in housing affordability.

Their diagnosis is acute; prescribing a cure is always harder. The authors believe that society and governments (particularly local governments) must work together to enhance capabilities – improve education, build organisational capability and set up the infrastructure for industries with a genuine comparative advantage. Government shouldn't just set the rules and umpire; it should also coach the players. Many will disagree with this direction, but the essay is a vital provocation to think about what a new consensus could be.

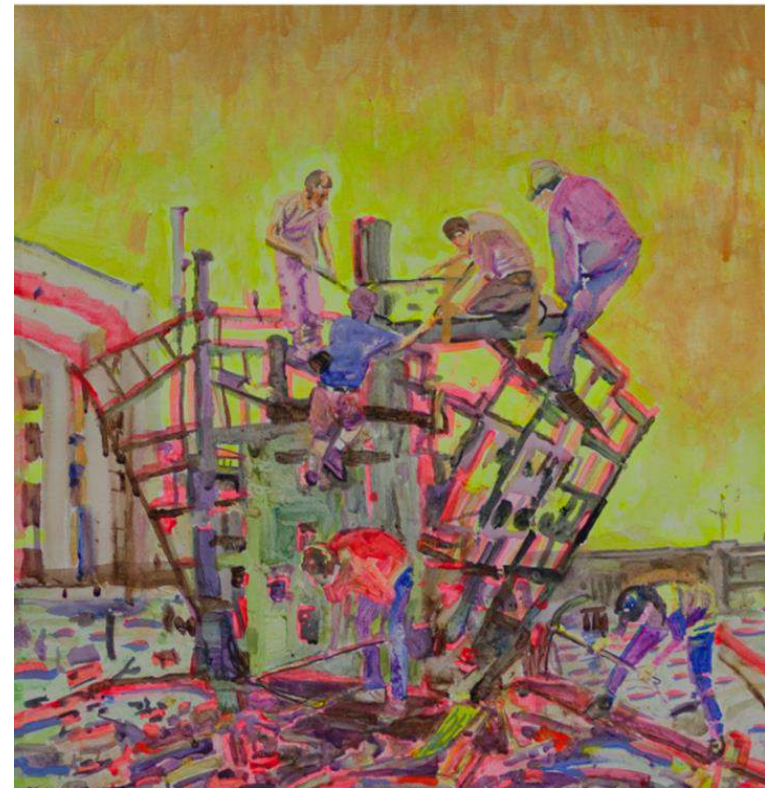
GriffithReview51

Fixing the System

Time for a new consensus

Fostering Australia's comparative advantages

Jonathan West and Tom Bentley



When and why nationalism beats globalism

Jonathan Haidt

With the rise of Trump, Brexit, and minor parties pretty much everywhere else, there's something in the political water. Millions of words have been written, and some of the most insightful are Jonathan Haidt's.

Haidt applies a psychology lens to politics. He asks: what causes people to change their behaviour, including their political choices?

His thesis is that the very success of globalisation has led to a backlash among nationalists. In a globalised world, open borders, diversity, autonomy and creativity are displacing "traditional values" of community, family, and established authority.

Haidt's insight is that people who hold these traditional values tend to be 'authoritarian' – predisposed to become intolerant in the face of certain kinds of threats. They become more worried about defending the 'in-group' when they perceive 'that "we" are coming apart'.

And the forces of globalisation have pressed exactly this button. By celebrating diversity and encouraging migration they have triggered fear, and politicians have responded. Globalists tend to be concentrated in big cities, particularly towards their centres, while nationalists are typically found in regional communities that often miss out economically. The major political fault line is now geographic – between cities and everywhere else.

But Haidt's essay is not merely academic. He cautions globalists to take more care with how they do – or don't – provoke authoritarian reactions. If leaders emphasise threats and focus on difference, the political reaction will grow. But if leaders emphasise what we have in common, such as unifying beliefs and institutions, there is more chance that the centre will hold. This essay offers a powerful and original way to think about some of the most important political changes of our time.



The Life Project: The extraordinary story of our ordinary lives

Helen Pearson

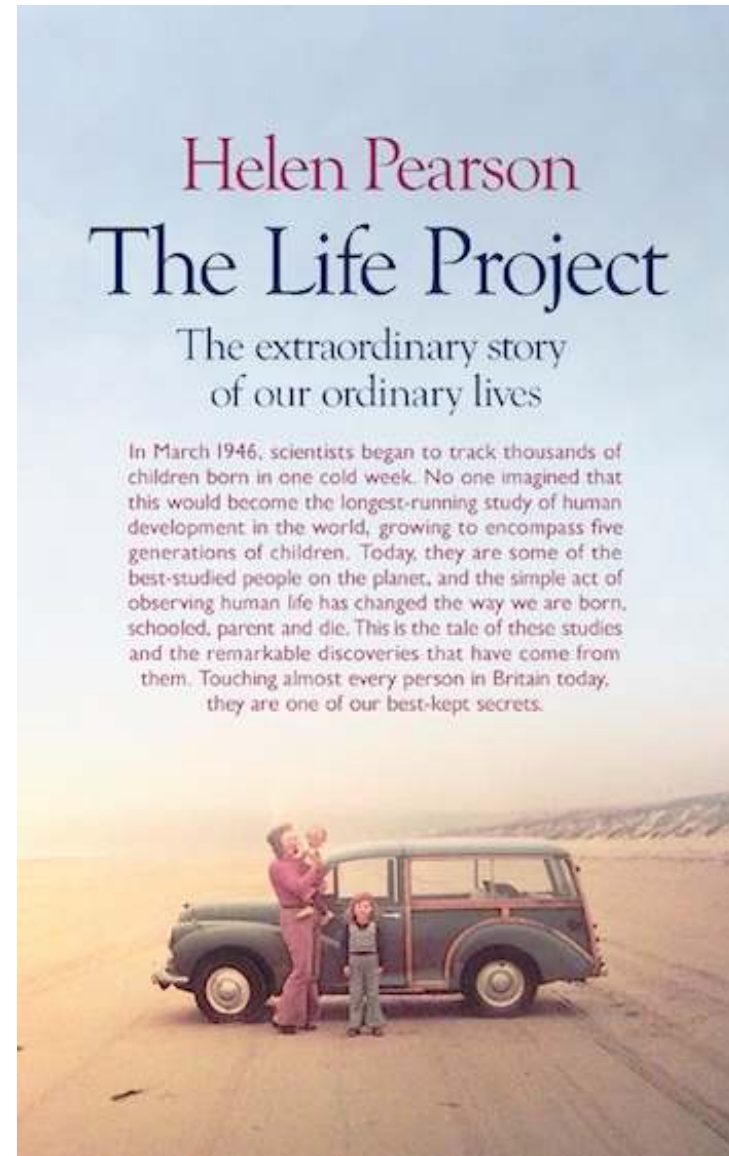
In 1946, the ambitious British researcher James Douglas surveyed 13,687 mothers of children born in the second week of March and started to follow the health, education and social outcomes of their children over their entire lives.

Douglas' scheme was every bit as difficult and expensive as it sounds. Without the aid of the internet or computerised data storage, teams of researchers were sent out every twelve years to scour Great Britain for the children born into the 1946 cohort and track their fates. New researchers had to be found to lead the herculean project as Douglas and his successors aged and retired, and huge sums of money had to be secured to fund each wave of data collection.

But this study, and the future waves it inspired, have changed how public policy decisions are made.

The Life Project is an outstanding account of the origins, trials and tribulations of the UK's first birth cohort study, and the four that have followed since. These studies have been ground-breaking because they've enabled scientists to draw causal connections between childhood health and education, and outcomes later in life, such as the harm caused by smoking and the benefits of breast-feeding.

Because much social policy is focused on improving long-term outcomes, evidence-based policy is deeply indebted to the UK's birth cohort studies, and the many others that have followed in other countries. Helen Pearson's riveting tale of the tumultuous histories of the UK birth cohort studies is a timely reminder that scientific research is often difficult, expensive, and extremely worthwhile.



Autumn

Ali Smith

“Here’s an old story so new that it’s still in the middle of happening, writing itself right now with no knowledge of where or how it’ll end.”

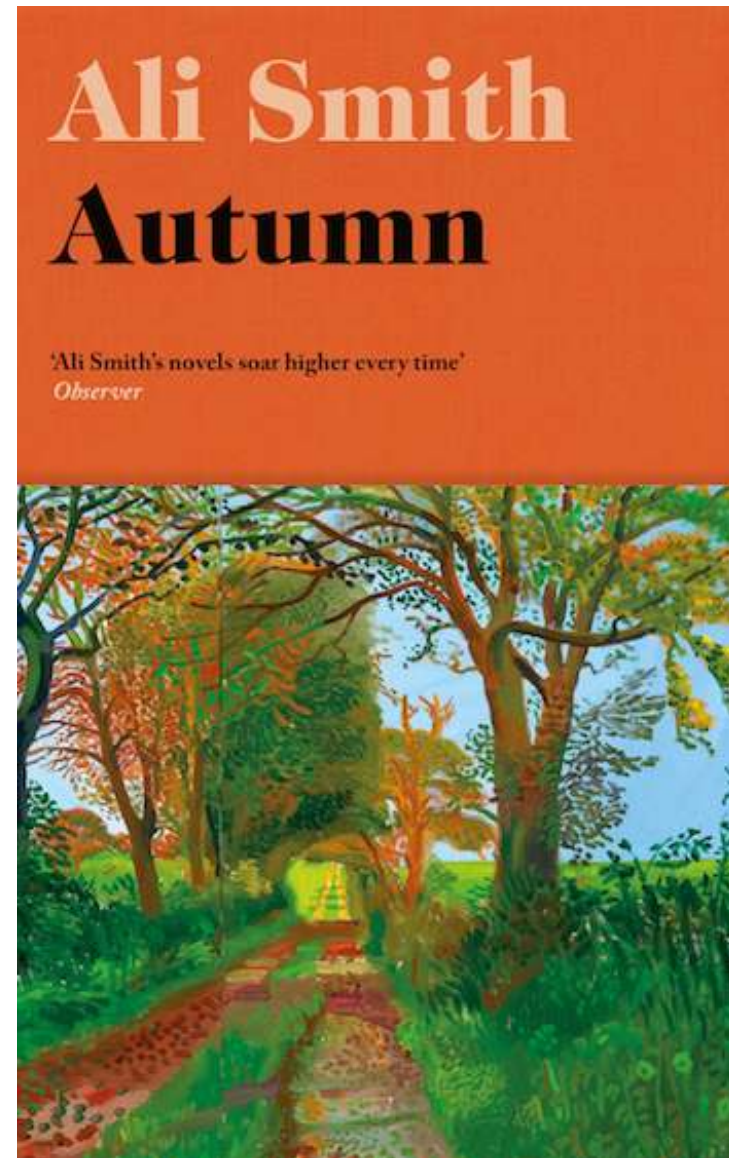
In her delectable 2016 novel, Ali Smith writes about pop art, and about time. About the way that time accelerates and stalls, about our time – the MP-shooting, Brexit-voting England of 2016 – and about the way that we engage with each moment in time through conversations with friends, strangers and art.

Autumn centres on 32-year-old Elisabeth Demand, an art history lecturer who is purchasing a new passport and tending to Mr Glucky on his deathbed, her 101-year-old childhood neighbour and lifelong friend.

In part, Smith’s novel is an everyday story about unhelpful post office attendees and an aging mother obsessed with daytime TV. But it is laced with astute observations on 2016, and is interwoven with an account of the dramatic life of female pop artist, Pauline Boty, and Elisabeth’s childhood conversations about “arty art” with Mr Glucky.

As Mr Glucky informs a young Elisabeth, ‘an image of an image means the image can be seen with new objectivity, with liberation from the original.’ Smith entices the reader to do the same with both the mundanities of life and the political shocks of 2016.

Shot through the dreamy aesthetic of Keats’ poem *To Autumn*, Smith reminds us that times are always changing and to appreciate each moment. In the midst of ugly politics, it is a delight to be transported for an afternoon to this hopeful world.



Summer reading for ‘wonks’

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

Lukasz Rachel and Thomas D Smith, *Secular drivers of the global real interest rate*, Bank of England, 2015. <http://www.bankofengland.co.uk/research/Documents/workingpapers/2015/swp571.pdf>

Real interest rates, both globally and in Australia, have declined sharply over the past 30 years. Lukasz Rachel and Thomas Smith investigate why. They find that population ageing, rising inequality, slower future global growth and a global glut of savings by emerging market governments (among other factors), have pushed down real interest rates. The authors conclude most of these forces will persist, which could leave real interest rates as low as one per cent for the foreseeable future. So, policymakers face big challenges.

Megan Davis and Marcia Langton (eds.), *It’s our country Indigenous arguments for recognition and reform*, Melbourne University Press, 2016.

It’s Our Country is a collection of essays by prominent Aboriginal and Torres Strait Islander leaders on the meaning and importance of constitutional recognition and reform. Each writer has a different perspective on what constitutional change might achieve in the reconciliation process. Some believe it will be significant, others inconsequential. It is a valuable primer for any referendum on constitutional recognition and reform.

Ezra Klein, *Technology is changing how we live, but it needs to change how we work*, Vox.com, 2016. <http://www.vox.com/a/new-economy-future/technology-productivity>

Ezra Klein explores the disconnect between feeling that technology is changing our lives a lot, and its absence from the productivity statistics. Some argue that recent innovations like computers and the Internet are simply less transformative than past inventions such as electricity, antibiotics or the rise of the motorcar. Others counter that we’re on the threshold of another great technological revolution centred on genetics and artificial intelligence, and that we haven’t learnt to make the best use of the technologies we have. Klein wonders whether new technology has more changed play and relaxation – think social media and Netflix – than work and production.

Peter Varghese, *Parting reflections*, DFAT, 2016. <http://dfat.gov.au/news/speeches/Pages/parting-reflections-secretarys-speech-to-ipaa.aspx>

While much is said about what great leadership looks like in politicians, we rarely discuss what it looks like in the other half of our system of government – the public service. The reflections of Peter Varghese, on his retirement as Secretary of the Department of Foreign Affairs and Trade, show how much politicians and the public can learn from our senior public servants. Varghese stresses the value of strong institutions, the importance of deep policy analysis and the need for politically-aware but nevertheless impartial advice. He argues radical incrementalism is the paradigm of institutional change.

Peter Mares, *Not quite Australian: how temporary migration is changing the nation*, Text Publishing, 2016.

Over the last 20 years migration to Australia has changed fundamentally. Provided eligibility criteria are met, there is no limit on the influx of New Zealanders, international students, temporary skilled (457) and working holiday visa holders. As a result, many long-term residents have lives embedded in Australia but they lack the rights and benefits of permanent residence. The permanent migration program is too small to accept all who want to stay. Peter Mares argues against perpetuating a vulnerable and exploitable population of semi-Australians. But making it easier for long-term residents to become legally permanent might require a rethink of our open temporary visa system.

Paul Cleary, *Trillion dollar baby: how Norway beat the oil giants and won a lasting fortune*, Blank Inc, 2016.

While many nations have squandered natural resource booms, Norway has used its oil resources to amass the world's largest sovereign wealth fund, on track to exceed \$1 trillion US by 2020. Norway is different in many ways. It stared down multinational oil companies and demanded they pay a special profits tax. Its Scandinavian collectivist mindset enabled a stronger culture of public service and faith in government. Meanwhile remarkable engineers and brave divers enabled massive rigs to operate in the wild conditions of the North Sea. *Trillion dollar baby* tells the lessons of Norway's success for other resource-rich nations.

Independent, rigorous, practical

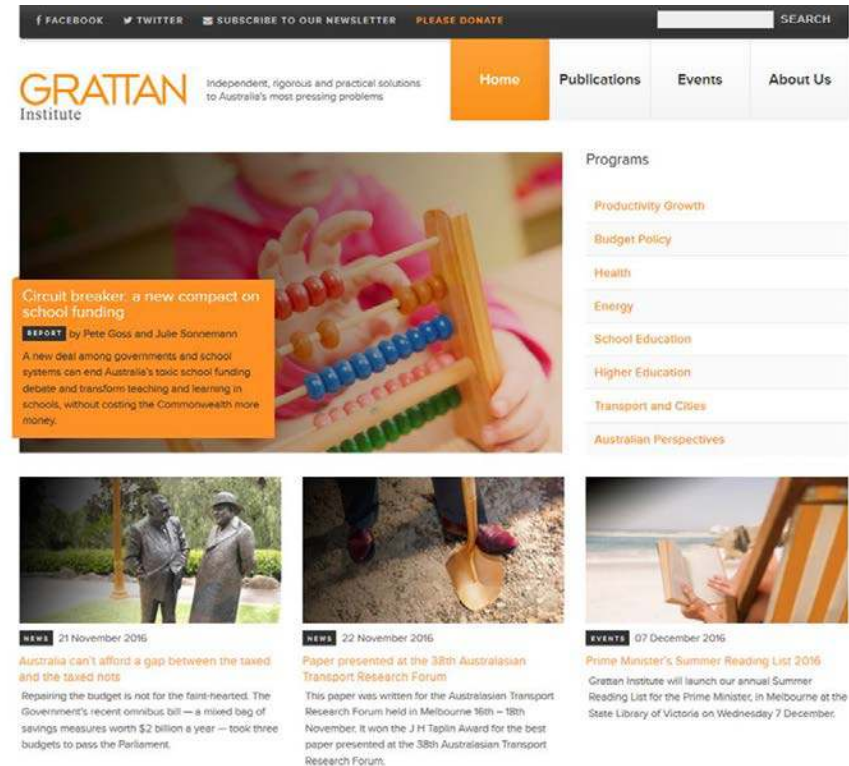
Grattan Institute is an independent think tank dedicated to developing high quality public policy for Australia's future. It was formed in 2008 in response to a widespread view in government and business that Australia needed a non-partisan think tank providing independent, rigorous and practical solutions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

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



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