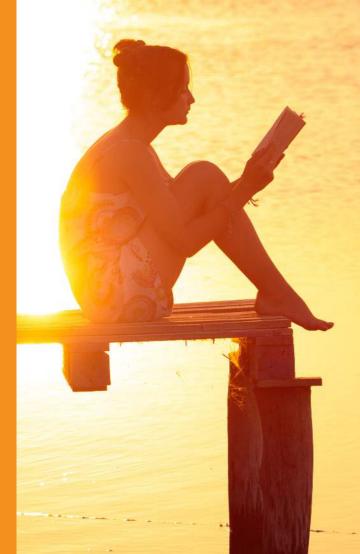
# 2019 SUMMER READING LIST

FOR THE PRIME MINISTER



**GRATIAN**Institute

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## A SUMMER READING LIST FOR THE PRIME MINISTER

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 the Prime Minister does too. We want our leaders to have a refreshing break and return inspired to lead the country in 2020.

- From Secret Ballot to Democracy Sausage Judith Brett (Text Publishing, 2019)
- Kindred
   Kate Legge (Melbourne University Publishing, 2019)
- Order without Design
   Alain Bertaud (MIT Press, 2018)
- The strange death of Tory economic thinking Stian Westlake (Medium.com, 2019)
- The Testaments
   Margaret Atwood (Chatto & Windus, 2019)
- See what you made me do Jess Hill (Black Inc., 2019)



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HOW AUSTRALIA GOT COMPULSORY VOTING

## JUDITH BRETT

RIVETING...A THRILLING AND VALUABLE BOOK.' ANNABEL CRABB

## FROM SECRET BALLOT TO DEMOCRACY SAUSAGE: HOW AUSTRALIA GOT COMPULSORY VOTING

### **Judith Brett**

Trust in politics might be at a low ebb in Australia, but one aspect of our democracy remains enviable: the electoral system. In this uplifting history, Judith Brett tells how our elections became a festival of democracy, celebrated in school classrooms fitted out with cardboard polling booths complete with pencils secured by string, and all accompanied by cheery fundraisers featuring the great Australian sausage sizzle.

Brett's latest work adds to our understanding of the foundations of Australia's democracy. 'Australia was born not on the battlefield but in the ballot box,' she declares. We need more than the Anzac story to understand our success.

This story – from inventing the polling booth for the secret ballot to pioneering preferential voting, from rapidly giving women the vote to requiring everyone to vote – is told with a deft touch and discerning eye. Not everything is a cause for pride, of course. Brett is unforgiving in her account of the 'shameful' fact that it was not until 1983 that enrolment was made compulsory for Indigenous Australians.

The hero of Brett's story is compulsory voting. Noting that we are among only 19 of the world's 166 democracies to have compulsory voting, Brett argues that it keeps disillusioned voters in the tent and ensures Australian elections are won and lost in the centre. 'Policies pitched only at the comfortable won't fly,' she writes. 'Without compulsory voting, for example, the Liberal Party would likely have abolished Medicare long ago, relying on the fact that those who needed it most were least likely to vote.'

Australians are, as the title of the last chapter suggests, good at elections. As Brett urges, we should celebrate that achievement. This book should get the party started.



A CRADLE MOUNTAIN LOVE STORY

## KINDRED

KATE LEGGE

## KINDRED: A CRADLE MOUNTAIN LOVE STORY

## **Kate Legge**

One-hundred years ago, Australia was a wilder place. A few people had the imagination to learn more about it and make it more accessible.

One of them was Kate Cowl, the only woman to present a paper to the Field Naturalists Club of Victoria in 1903. Gustav Weindorfer heard Kate's talk. Austrian-born, he was a naturalist whose enthusiasm for bushwalking left all but the most energetic trailing behind.

*Kindred* is their seemingly inevitable love story. Kate might have been 11 years older, but it is hard to imagine two people with more in common: a love of walking, of Australia's wilder places, and of documenting a flora and fauna still exotic to European eyes.

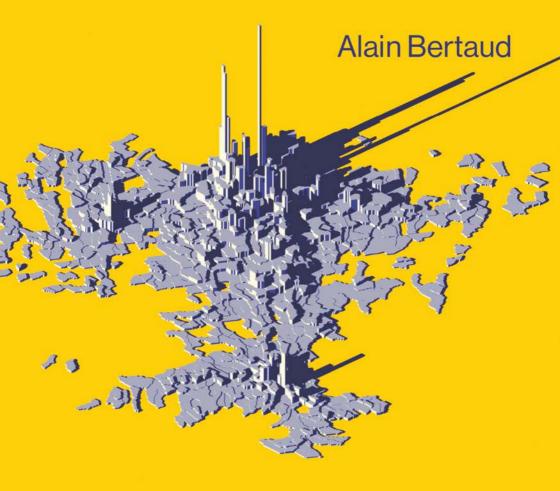
Three years later they were married in Tasmania. The newlyweds bought a farm at Kindred, within striking distance of the enticing Cradle Mountain. They had soon hiked to the top, bringing home hundreds of pressed specimens, and a vision to open up for others the wonders of the wilderness.

They built the first chalet in the region, Waldheim, and entertained their first guests in 1912. Tragically, the venture together did not last long – Kate died in 1916. Gustav had to campaign without her to create a national park, eventually persuading three Tasmanian Ministers to stay at Waldheim. Soon everyone was claiming credit for the Cradle Mountain and Lake St Clair National Park. In 1916 there were 38 guests at Waldheim; in 2017 280,000 people crossed the Pencil Pine bridge.

*Kindred* is first and foremost a love story. It will probably inspire many more to go to Cradle Mountain. It's an easier trip than when Kate and Gustav entertained their first visitor. But thanks to their efforts, the view hasn't changed.

## Order without Design

**How Markets Shape Cities** 



## ORDER WITHOUT DESIGN: HOW MARKETS SHAPE CITIES

#### **Alain Bertaud**

In the midst of the latest bout of angst about urban population growth, *Order without Design* argues that a city can't be designed because it doesn't have a clear function. A city's main quality lies in its ability to evolve rapidly and respond to the world beyond it.

That is not the basis of urban planning as it's done today. Instead, the blind and the paralysed go their own ways: the planners are blind to the market outcomes they seek to regulate, while the economists are paralysed to act.

Alain Bertaud has had a 55-year career as an urban planner in 50 cities around the world, yet he is humble in the face of the complex system that is a city, and he argues that others should be humble too. It's not grand vision that we need, or woolly ideas such as liveability or sustainability.

Instead he thinks we need to enable city-dwellers to get the best fit they can with a job, a home, and the means to get around. We should accept that large labour markets are very efficient at matching people with jobs, and that transport is the connector between a city's size and its productivity.

Planners should back-off regulating what people do with their own plot of land or their own apartment. Instead they should focus on the connective tissue of roads, parks, and other public spaces.

Ultimately, this book is a call for the hybrid vigour that would result if planners and economists worked together more effectively rather than cutting across the good work that both do.



## THE STRANGE DEATH OF TORY ECONOMIC THINKING

#### Stian Westlake

Sometimes the easiest way to see your future is to look at someone else's past.

In the United Kingdom, the right-wing Tory party has always portrayed itself as the bastion of economic thinking. 'Thatcherism' was a term that defined globally an agenda of deregulation, privatisation, and balanced budgets.

But the Tory party has changed. Economic issues are no longer the core narrative, displaced by concerns about migration, hacking, and online pornography. Government is tending to intervene more directly, proposing to move students from universities to vocational training; to help low-productivity firms; and to boost shrinking towns.

Stian Westlake suggests that these trends are connected: they reflect power leeching from the Treasury to the Home Office, and these departments have very different mindsets.

Treasury has few front line forces. Its tools are incentives and taxes, it is instinctively nervous that unintended consequences may be worse than the disease, and it is acutely aware that budgetary resources are limited.

By contrast, the Home Office has a front line of security forces, its instincts are either to ban things or to mandate them, and an existential crisis always justifies borrowing more. As Westlake puts it, 'the Home Office doesn't do incentives: it Cracks Down, it Tightens Up, it Sends a Strong Message'.

Westlake argues that when the Tory party does talk about economics, it is like a historical re-enactment society – with historically perfect uniforms but no real bullets. Its patter is deregulation and free markets, but that's not what its hands are doing.

Australia is different. But we now have a Home Office. And it's worth pondering whether shifts in power might be reflected in shifts in mindsets and the policies that governments prefer.

# ATWOOD



TESTAMENTS

By the author of THE HANDMAID'S TALE

#### THE TESTAMENTS

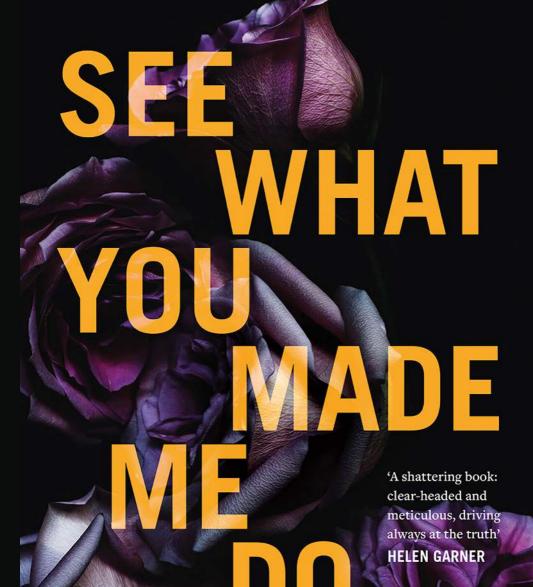
## **Margaret Atwood**

If a religious fundamentalist regime intent on oppressing women took over the United States, what would be the result? That of course was the premise of Margaret Atwood's 1985 *The Handmaid's Tale* – long-beloved of readers and more recently TV viewers.

Atwood pitched the book as an inoculation against the possibility of such an oppressive regime: 'if this future can be described in detail, maybe it won't happen', she explained. As aspects of the tale began to look less dystopian vision and more reality, Atwood was convinced to write the sequel. The focus of *The Testaments* is quite different. Set 15 years on from the conclusion of *The Handmaid's Tale*, it is the story of the unwinding of the Gilead regime beset with hypocrisy, power struggles, and economic deprivation.

This novel is ultimately about power and the moral compromises people make to gain and retain it. But for all the ugly brutality displayed by some characters, there are moments of humanity and bravery: the friendship between two young women and the sacrifice one makes for the other; the people-smugglers in Canada finding inventive ways to help people escape the confines of the regime; and the decision by one of its leaders to ultimately destroy what is rotten from within.

A barrelling plot and Atwood's highly engaging style make *The Testaments* unputdownable. But one question ultimately nags the reader: what choice would you make?



Power, Control and Domestic Abuse

**JESS HILL** 

## SEE WHAT YOU MADE ME DO: POWER, CONTROL AND DOMESTIC ABUSE

#### **Jess Hill**

Every week in Australia, a woman is killed by a man she was intimate with. And many more women live with the well-founded fear that they, or their children, will be the next victim of domestic abuse.

Police are often powerless to help victims, because much abuse is not criminal. It's not a crime to control the purse strings, so that a woman has to beg for money. It's not a crime to convince her she's worthless. It's not a crime to cut her off from friends and family. But this type of 'coercive control' is often the most painful part of the abuse, as well as being a 'red flag' for murder. As Jess Hill identifies, abusers instinctively use techniques frighteningly similar to those used to break down prisoners in POW camps in the Korean War.

See what you made me do combines hard data with heart-breaking stories of trauma to expose the underlying causes of domestic abuse. Steering away from victim-blaming tropes of 'Why didn't she leave?', Jess Hill looks into the perpetrator's mind, and asks 'Why did he abuse her?'

It's often because the abuser feels deep shame, a profound emotion that can be suppressed with brief displays of power. Gender inequality and patriarchal power structures play a role in abuse. But these structures only change slowly, and individual psychology also matters.

Governments should respond to these insights. The book describes successful community-led programs in which local police, victim advocates, and social service providers have worked together, with both victims and abusers, to identify and prevent likely escalations of abuse.

Passionate, distressing, and clear-sighted, *See what you made me do* will open readers' eyes to what we can do about domestic abuse.

#### **SUMMER READING FOR 'WONKS'**

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

## The Antitrust Paradigm: Restoring a competitive economy

Jonathan B. Baker Harvard University Press, 2019

Jonathan Baker's *The Antitrust Paradigm* opens with a surprising statistic: 75 per cent of US beer sales are controlled by just two companies. He chronicles the rise in market concentration across many parts of the US economy, including airlines, pharmaceuticals, telecommunications and, of course, technology.

Baker argues that increases in market concentration are in part the result of underenforcement of antitrust laws. In a broad overview of the history of antitrust he fingers the influence of the Chicago School and their 'hands-off' approach to markets that have hollowed out antitrust doctrines. Once upon a time governments didn't just worry about excessive *market* power, they also worried about dominant companies having too much *political* power.

Baker offers a solution: a series of legal changes to make it easier to prosecute antitrust cases. He also calls for stronger controls on mergers in innovation markets, to stop big tech firms such as Facebook and Google snapping up nascent competitors. Baker's book is a scholarly but engaging read for anyone with an interest in market power in modern economies and how we can regulate better.

## Why rigged capitalism is damaging liberal democracy

Martin Wolf Financial Times, 2019

The United States has experienced four decades of slow productivity growth, rising inequality, and large financial shocks. What has gone wrong? According to Martin Wolf,

the chief culprit is systemic rent-seeking behaviour. Wolf presents evidence that rents have contributed to higher market concentration, weaker competition, and inflated wages in the financial sector.

Policy setters have been complacent about curbing monopoly power, and major loopholes allow companies to practice tax avoidance on an enormous scale. The financial professionals and corporations who benefit from these permissive policy settings have invested significant resources in lobbying to ensure that they can continue to behave as they wish. The result, according to Wolf, is the emergence of 'an unstable rentier capitalism, weakened competition, feeble productivity growth, high inequality and, not coincidentally, an increasingly degraded democracy'.

### Corporate power beyond lobbying

#### Cornelia Woll

#### American Affairs Journal, 2019

Business and government are in bed together – but it's not always because corporates successfully seduce governments. Cornelia Woll argues that corporate power largely stems from governments' dependence on the corporate sector. The US Government needs healthy financial institutions because it relies on borrowed money for economic growth. Its international reach and strategic interests depend on the networks of major US companies.

Woll makes her arguments in the American context but Australian policy wonks would do well to listen in. The tools devised to tackle anticompetitive practices are not fit for dealing with such extensive – and entrenched – market power. While this piece doesn't have all the solutions, better understanding the power dynamics and mechanisms of influence is the first step towards reclaiming politics and markets for the people.

## Mistakes, we've drawn a few: Learning from our errors in data visualisation

#### Sarah Leo

#### The Economist, 2019

Numbers don't speak for themselves. Instead, analysts of various stripes – journalists, academics, public servants, think tank researchers – speak for them, often using graphs. It's easy to make a bad graph. Graphs can be – deliberately or otherwise – misleading about the data they're representing, or sometimes just ugly or confusing.

Sarah Leo of *The Economist* has done the world a good turn by publishing this list of chart mistakes the magazine has made in recent years, and analysing how their sub-par graphs could have been improved.

When *The Economist* makes mistakes, it is still better than most. This article is a masterclass in how to turn good charts into great ones. Anyone who makes or consumes charts for a living, a category that surely includes the wonks in the Prime Minister's orbit, would do well to review *The Economist*'s self-flagellating list of chart crimes.

## Brahmin Left vs Merchant Right: Rising inequality and the changing structure of political conflict (evidence from France, Britain and the US, 1948-2017)

#### **Thomas Piketty**

### Presentation delivered at Sciences Po, January 24, 2019

In the 2019 Australian election, lower-income and less-educated electorates swung to the Coalition. The traditional images of Coalition and Labor voters are out of date. It turns out that this is a global trend. In this 84-slide PowerPoint presentation, acclaimed economist and author of *Capital in the Twenty-First Century* Thomas Piketty scours election data from the US, UK, and France, revealing the breakdown of the traditional demographics of the left and right over the past 70 years.

People with high levels of education increasingly vote for the left. At the same time, lower-income, less-educated voters are turning away from the left – despite its promises of greater equality – in favour of nativist policies on the right. While this presentation lacks visual appeal (Piketty would benefit from reading Sarah Leo's article) it has plenty of insight and rigour. According to Piketty, 'one needs long-run historical comparative series to study the political economy of inequality and redistribution'. He delivers.

## Why are the prices so damn high?: Health, education and the Baumol Effect

## Eric Helland and Alexander Tabarrok Mercatus Center, George Mason University, 2019

The catch-cries of 'cost-of-living pressures' and 'rising prices' are everywhere. But the 'problem' of rising prices is often misdiagnosed and misunderstood. This is Eric Helland and Alex Tabarrok's conclusion after their fresh look at the 'Baumol Effect' – when prices of labor-intensive services rise because the prices of goods fall as a result of manufacturing efficiencies.

Education and healthcare costs rise largely because we pay teachers and nurses more when other uses of their time become relatively more productive. People worry too much about the rising cost of services because they overlook that all prices are ultimately relative, and something may still be *affordable* even if its price is higher. Uneven rises in productivity lead to uneven changes in prices, but they also lead to greater wealth.

Of course, services are not helpless sufferers of Baumol's 'cost disease'. Greater use of online teaching and automated diagnosis through artificial intelligence, for example, can reduce costs. Future rises in living standards will depend increasingly on this kind of innovation.



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