

**A recommended summer reading list for the
Prime Minister**

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Grattan Institute

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As well as being an important break for many Australians to recharge the batteries, the summer is also an opportunity to catch up with some reading. But our country's leaders have less time than most to browse and select their books for the beach.

So Grattan Institute is recommending a list of books which we thought might be useful for the Prime Minister – and the political leaders of all parties at all levels of government – in dealing with some of the challenges facing Australia today. And importantly, they are also a good read.

The list is not intended to be comprehensive, nor do we endorse every word, nor do we suggest that this is *all* our leaders should read over the summer. For example, we hope that they – if so inclined – read something simply for the pleasure of reading, whether poetry, fiction, history, or palaeontology.

Radical Hope: Education and Equality in Australia, Noel Pearson (Quarterly Essay 35, Aus, 2009)

What Makes People Vote Republican?, Jonathan Haidt, The Edge, (US, 2008)
http://www.edge.org/3rd_culture/haidt08/haidt08_index.html

Ransom, David Malouf (Aus, 2009)

The Hidden Wealth of Nations, David Halpern (UK 2009, Aus 2010)

Influence: The Psychology of Persuasion, Robert Cialdini, (US, 1984)

False Economy, Alan Beattie (UK, 2009)

Welcome to the Urban Revolution: How Cities are Changing the World, Jeb Brugmann (US/Aus, 2009)

The Tall Man, Chloe Hooper (Aus, 2009)

Radical Hope: Education and Equality in Australia, Noel Pearson (Quarterly Essay 35, Black Inc, Aus, 2009)

Noel Pearson's starting question is how we can revitalize Indigenous culture in a world of increasing Indigenous inequality. Not surprisingly, his answer is better education. But Pearson does not treat the issues as peculiarly aboriginal problems. He refuses to accept social disadvantage, including Indigenous disadvantage, as a sufficient excuse for poor education. Instead he makes a powerful case for significant reform to all of Australia's schools, with greater priority to structured teaching, and skill building. His own work is testament that rigorous effective instruction is the best basis for worthwhile creativity, critique and self-esteem, rather than the other way round.

On identity, Pearson argues that the culture divide has been a mistake – rather than requiring people to choose between identities, we should acknowledge that many people have “layered” identities, belonging to more than one overlapping group. In a better world they will both be deeply educated in the language and skills to participate in the life of mainstream Australia, as well as be engaged in the language and knowledge of their native culture.

Pearson is a pragmatist. He doesn't deny the magnitude of the problems, doesn't mince words in pointing to the failure of historic policy, and is merciless in criticizing policies and methods that have been recycled in the face of contrary evidence. At the same time, his theoretical analysis cuts through debates, such as education ideology and cultural identity. Pearson's essay would be recommended reading if he had merely dealt with Indigenous education, school education more generally, or Indigenous culture; contributing so much to all these debates is a bonus.

What Makes People Vote Republican? , Jonathan Haidt, The Edge, (US, 2008)
http://www.edge.org/3rd_culture/haidt08/haidt08_index.html

Jonathan Haidt studies the instincts that underlie ethical decisions. He argues that two precepts – avoid doing harm to others, and treat others as you would be treated – are close to being moral universals, across cultures and times. But people vary in the value that they put on group loyalty, respect for hierarchy, and maintenance of purity. He suggests that these values have a role in promoting group cohesion. He claims that political conservatives value them more, and this is the underlying fault-line dividing them from political progressives: “morality is not just about how we treat each other (as most liberals think); it is also about binding groups together, supporting essential institutions, and living in a sanctified and noble way. When Republicans say that Democrats ‘just don't get it’, this is the ‘it’ to which they refer.”

Haidt's thesis is original, thought-provoking, and backed by a decade of innovative research aimed at eliciting people's instinctive reactions to moral issues. It's a fascinating lens to analyse political reactions to tough issues.

Ransom, David Malouf (Aus, 2009)

Ransom retells the story of Priam, King of Troy, as he goes to plead for the despoiled body of his son Hector from the Greek hero Achilles. It's a tale of transformations. Priam, accustomed to the trappings of power, discovers the simple pleasures of sitting anonymously by a river; while Achilles, drunk with fury and revenge, discovers the peace of forgiveness. And throughout is the personal goriness of war, as horribly fresh in Malouf's retelling as in the original *Iliad*. If only government reports were written in language like this.

The Hidden Wealth of Nations, David Halpern (UK 2009, Aus 2010)

Richer nations are happier, yet economic growth doesn't increase happiness. *The Hidden Wealth of Nations* argues that this paradox is partly explained by the quality of our interactions with each other. This hidden wealth can be expressed in everyday ways, such as our common values, the way we look after our children and elderly, or whether we trust and help strangers. Drawing on studies of how people actually spend their time, the book concludes that policy has systematically underestimated the importance of what has been called the "economy of regard" – the parallel economy of everyday life where we help each other with acts of consideration, care and reciprocity. This parallel economy is a hidden dimension of inequality, and helps to explain why governments have found it so hard to reduce gaps in society.

With its eye firmly fixed on those aspects of wealth not counted in GDP, the book explores what is happening in a range of contemporary societies from value change to the changing role of governments, and, refreshingly, offers concrete suggestions about what policymakers and citizens can do about it, including a top-10 list of policy proposals for current, or future, Prime Ministers.

Influence: The Psychology of Persuasion, Robert Cialdini, (US, 1984)

Cialdini's *Influence* is an empirical look at how humans really make decisions, rather than how *homo economicus* is supposed to act. Behavioural economics, the field which grew out of the work of psychologists and economists such as Kahneman, Slovic and Tversky, doesn't overturn classical economics, but adds a layer of sophistication and nuance, incorporating findings that we are motivated by many factors other than price. We are influenced by the way that choices are framed, and the desire to keep "what we have". We abide by social norms and habits, and reciprocate favours. We stick by public commitments, and are desperate to appear consistent. We are predictably irrational – if rationality is simply about maximizing long-run economic outcomes.

This publication is not new, but the insights of behavioural psychology and economics have not yet been widely integrated into policy thinking in many countries, including Australia. It has been argued that an intellectual revolution is under way that will change the way we think about public policy as much as free market economics did in the 1980s. Health and climate change are just two areas where we will all be challenged to adjust our behaviour to the new realities we face; understanding how this can happen will be crucial.

False Economy: A Surprising Economic History of the World, Alan Beattie (UK, 2009)

False Economy combines two of the less fashionable fields of economics: economic history, and political economy. With hundreds of entertaining historical vignettes Alan Beattie illustrates his thesis that institutions, and the choices that people make within them, can make a real difference to people's lives over many centuries. He asks why, with similar economies 100 years ago, Argentina faded to be a third-world country, while the US rose to be a superpower? Why did Botswana prosper through its diamond resources while its neighbours succumbed to the "resources curse"? And why are many African countries merely a staging post for South-American grown coca exported as cocaine to Europe, rather than growing coca themselves?

One of our favourite chapters argues that while organised corruption is bad, disorganised corruption is worse. Hence Indonesia and Chile prospered through the second half of the twentieth century while much of the rest of South America and the Philippines did not. But Alan Beattie is the international trade editor of the Financial Times, and he reserves his biggest bullets for industry groups that manipulate governments into industry assistance and protectionism. As he shows, time and time again, such measures invariably just hold the country back, often corrupting entire political systems and economies for decades. In a year in which Australia pledged to support its car industry at a cost of \$220 per man, woman and child, food for thought.

Welcome to the Urban Revolution: How Cities are Changing the World, Jeb Brugmann (US/Aus, 2009)

Jeb Brugmann argues that "cities are... transforming ecology, economics, politics and social relations everywhere, for better or for worse, depending on different approaches to city building". Today 3.5 billion people live in cities, soon to be joined by another 2 billion over the next twenty-five years. At home in Australia, managing population increase and the growth of our cities is one of our biggest challenges. How can we manage this growth while making our cities more productive, egalitarian and sustainable?

Drawing lessons learned first-hand in urban areas all over the world, from slums to master-planned communities, Brugmann argues that cities are made up of myriad nested local systems at the regional, metropolitan, district, and neighborhood levels, and that these complex, adaptive systems are more suited to nuanced responses than abstract planning. Cities which succeed are those which can adapt to address the challenges of their historic legacies, populations, industries and times. Bridging urban studies, economics, and sociology, and illustrated with compelling stories about real people, Brugmann's book is a fascinating read.

The Tall Man, Chloe Hooper (Aus, 2009)

The Tall Man is the horrifying story of Cameron Doomadgee, a young indigenous man who was arrested, and died several hours later in a prison cell, with broken ribs and ruptured liver. Chloe Hooper tells the story of the trial, as well as putting events into their wider context, challenging us all to do better.

And finally... We would like to recommend this year's Nobel Laureate Elinor Ostrom's seminal work, *Governing the Commons*, an important contribution to thinking about the problems of climate change. Unfortunately it's currently being reprinted – but order a copy now for Easter.