

The Australian Moment

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Extract

Introduction

In the four decades since the United States first put a man on the moon, the world's richest nation has suffered seven recessions. For three of those four decades, every American economic ailment was transmitted to Australia and amplified. We were struck down by one of the worst bouts of stagflation in the developed world in the 1970s and again in the early 1980s, and a frightening recession in the early 1990s that felt like it would never end.

Then history took an unusual turn. The US recessions that haunted the new millennium did not have Australia's name on them. We did share in the American humiliations in Afghanistan and Iraq, as we had done in Vietnam. But the cord of economic dependency was severed. We didn't just break from the US business cycle, but from the West more generally. Australia, uniquely, has avoided the first three super crashes of the digital age - the Asian financial meltdown, the tech wreck and the big one, the Great Recession, which we branded the 'global financial crisis'.

A single escape might be put down to luck, two to good management. But a third is the stuff of legend. Understandably, the rest of the world wants to know if Australia has cracked globalisation's secret code for prosperity.

The idea that a nation of almost 23 million people accounting for less than 2 per cent of world production might hold the key to the future does not fit with the humble story we have told ourselves since federation, that we are a spoilt people in charge of a minerals-rich continent, a quarry with a view. The laconic side of our character wants to downplay the achievement. The insecure side assumes that we will succumb soon enough - if the United States didn't break the Australian economy in the last decade, then China must in this one.

The truth is we prefer to think the Great Recession wasn't real. Or that it was confined to the North Atlantic. Or that the mining boom bailed us out. Or that it just wasn't our turn. That, like the Olympic skater Steven Bradbury, we stole the gold after everyone else in the race fell over. Sporting success like Bradbury's we can explain: we are persistent. The same goes for an Oscar: we are charming. Or even a Nobel Prize in science: we can be smart. Yet we're uncomfortable with the global spotlight upon us, being asked questions we're too scared to pose for ourselves.

But what if we are 'the last best hope on Earth', which was the phrase Abraham Lincoln used to describe the American project in the nineteenth century? The nation that reflects the best of the world back to it? There is a good case to be made on Australia's behalf

Consider the flaws of the world's five richest nations. The United States has a market too free and a political discourse too toxically partisan for its own good. China, Japan and Germany, placed second to fourth on the global income ladder, are monocultures condemned to premature ageing because they don't have the national confidence for mass immigration. The UK, ranked fifth, is the nation closest to ours, but its economy relies on the futility of financial transactions, and its eternal hang-up about class makes it a poor host for new arrivals.

Our economy is open, but not out of control, because government still sticks its nose where it belongs to regulate the banks and to provide a decent social safety net. Our society, too, is as open as any, with an immigration program sourced in almost equal measure from the old world of Europe and the new world of Asia. In fact, the Asian-born now outnumber



the British-born. We do hyphens better than the Americans - Greek-Australian, Italian-Australian, Chinese-Australian, Indian-Australian - and our banks are safer than the Bank of England.

We still have a self-sabotaging streak. Apathy and parochialism ensure that the national focus never strays beyond the bitumen tomb of suburbia. ('Did you see what they paid for that awful house up the street?') Our largest city, Sydney, has caught the global disease of intolerance. Our politicians are getting duller by the doorstep, and we have few genuine heroes to look up to.

In a group setting, we are willfully inarticulate. The chant 'Aussie, Aussie, Aussie! Oi, Oi, Oi!' is a form of national Tourette's. This tone-deaf cry acts as a human shield to protect us, and the rest of the world, from taking Australia too seriously. Only a people that genuinely fear self-reflection would carry on like this. Perhaps that is why we continue to celebrate the military defeat at Gallipoli, as an extension of our aggressive adolescence, a young nation still not ready to find an independent voice. The Anzac tradition serves the dual purpose of making us feel like victims while giving vent, in some sections of the community, to a boorish, the-world-can-get-stuffed patriotism.

We are better than that. This book will argue on behalf of the Australian miracle through our response to external events. It starts with the oil shock of 1973 and ends with the Great Recession of 2008-09. Both episodes broke the American, European and Japanese enterprises. Only the first did the same to Australia's. What we learned in close to four decades is what makes us more versatile today than any other first-world nation.

The story is told from two complementary perspectives: through the reaction of the people, and through the institutions of government and the bureaucracy. Economics informs the narrative because it provides the best device for interpreting human behaviour. For example, why do Australians react better when they think they will lose something than when they receive a windfall? Some of the episodes may be familiar, while others will be new to readers. Much of what we remember, together, needs to be re-examined to decide whether Australia can, indeed, become a global role model.

I re-interviewed five of the six prime ministers who governed through Australia's transformation: Malcolm Fraser, Bob Hawke, Paul Keating, John Howard and Kevin Rudd. Graham Freudenberg kindly agreed to speak on behalf of Gough Whitlam, who wished this book well but declined an interview.

I asked Fraser, Hawke, Keating and Howard to think outside their own legacy egos to reflect on the positive contributions of one another. Through their combined praise we can identify the unique elements of the Australian project, and hopefully inspire our next generation of politicians to build on it.

There are, of course, tensions. The competing versions of Australia are apparent in the alliances between the former leaders. Hawke praises Howard so he can take a chip at Keating. Fraser gives credit to Keating, and Keating reciprocates so, together, they diminish Hawke and Howard by comparison. Howard applauds Hawke so he can reduce Keating. Hawke and Howard are Australian triumphalists, who think there is nothing wrong with the nation as it is. Keating and Fraser are Australian cosmopolitans, who see room for improvement. Rudd discusses his role in Australia's Great Escape of 2008-09. He also reflects on why he subsequently lost community support during the recovery from the recession we didn't have.

The rough rule of thumb for the Australian character is that we are greedy in good times and inspired in bad. Or as *The Economist* magazine once put it, 'Australia is one of the best managers of adversity the world has seen - and the worst manager of prosperity'.

The circumstances of our sidestepping the major global downturns may never be repeated, and our lessons may not translate for every first-world nation. But the days of us looking to the British and Americans for inspiration and comfort have passed. Now it's our turn to tell them how the world works - assuming we can break the lockjaw that strikes us when the conversation is serious, and avoid the reflex hubris that comes when others acknowledge our victories. Even if we manage to revert to mediocrity, the Australian Moment will be of interest for decades to come, as a reminder of what worked, and what might yet be.

Learn about some of the moments that defined Australia, including the Gold Rush, the Gallipoli Landing and the Port Arthur Massacre.Â Is it a momentous discovery? An act of heroism? Or an event which generates change? There are countless significant moments throughout Australiaâ€™s history. Here are just 13 of the many events that have shaped our nation. Archaeological Discovery.