

POLICY FORUM

POD

Policy Forum Pod
Shock tactics – Brexit and thinking
the unthinkable
Episode 97
22 Mar 2018



Australian
National
University

POLICYFORUM.NET

Asia and the Pacific's platform for
public policy debate and discussion



Connect with us:

 www.policyforum.net
 [@APPSPolicyForum](https://twitter.com/APPSPolicyForum)

 policyforumpod.simplecast.fm
 [Asia and the Pacific Policy Society](https://www.facebook.com/AsiaandthePacificPolicySociety)

 podcast@policyforum.net

About us:

Policy Forum Pod is the podcast of Policy Forum.net - Asia and the Pacific's platform for public policy debate, analysis and discussion. Policy Forum is based at Crawford School of Public Policy at the Australian National University.

Our regular podcasts are written for a broad audience of public policy professionals, and those interested in public policy throughout the region.

Policy Forum connects with the Asia and the Pacific Policy Society – a network of thousands of people involved in every level of policy around the region.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

[intro music 0:00:00-0:00:13]

Host: Hello, and welcome to the Policy Forum Pod – the podcast for those who want to dig a little deeper into the policy challenges facing Australia and its region. I am Martyn Pearce. Policy Forum Pod is produced at Crawford School. We are the region’s leading graduate policy school. You will find out more about us at crawford.anu.edu.au.

I am delighted today to be joined by two esteemed co-hosts. First of all, it has been a while since we have seen her on the Pod, Sue Regan. Sue is a PhD Scholar at Crawford School. She is the Program Director at the Institute of Public Administration Australia and she was Chief Executive of the Resolution Foundation – a UK-based research institute focusing on the wellbeing of low-earners. Hi, Sue.

Sue Regan: Hi, Martyn. It is good to be back.

Host: How are you?

Sue Regan: I am very well, thank you.

Host: Also, making his Pod debut – drumroll – is Paul Wyrwoll. Hello, Paul. How are you?

Paul Wyrwoll: Hi, Martyn, very happy to be here. I’m excited.

Host: Yes, we are excited to have you on, as well. Paul is also a PhD Scholar at Crawford School, and he was previously the General Manager of the FE2W Network and Managing Editor of the *Global Water Forum* blog, so it is fantastic to have your expertise on the panel. I hope you have a good, strong debut and very enjoyable.

Paul Wyrwoll: I will do what I can, Martyn. I am excited.

Host: Before we get into what we are going to be talking about on this week’s Pod, at the start of each Pod we ask our presenters to pick out something from the wide world of policy over the last week and just tell us what has caught their eye. Perhaps I will start with you, Sue. What has caught your eye in the news this week?

Sue Regan: Well, it has been hard to get past the Christchurch massacre, and I think we should acknowledge that on the podcast today and really acknowledge that there is a lot of grieve and sadness going on in New Zealand, both among the families of those who died and the wider

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Muslim community and, indeed, New Zealand overall, so I wanted to really just mark that. I know that we are going to be exploring some of the implications of that on a future podcast.

Host: That is right. Next week, we are taking a look at countering violent extremism policies and, in fact, whether those policies are doing enough to tackle far-right extremism.

Sue Regan: [?? 0:02:32] An important podcast that will be, but the policy that I really wanted to raise this morning was the announcement by the Government here, in Australia, yesterday which was the population policy. They have set up some proposals for changing the permanent migration numbers in Australia, to try and bring them down a little bit. There has been some questioning of whether that will actually result in less permanent migrants coming to Australia.

They have reduced the target down from 190,000 to 160,000, and the other key aspect of it is to have a new visa category, which encourages people to go and live in regions. This has been framed as tackling congestion in our major cities, so a very interesting development, I think, for them to set up a population policy.

Host: The reaction to that has not been overall entirely positive, has it?

Sue Regan: No, and I think it is partly the way it has been framed. It has been seen as this attempt to tackle congestion in major cities, and the argument is that actually migration is only a very small part of that problem and a much more significant problem is that we have under-invested in infrastructure in our major cities for a long time in Australia.

Yes, it has not been widely welcome. There has been a lot of discussion also about whether migrants will want to go to particular communities where they had been incentivised to go in the regions, whether there will be jobs for them. Yes, I think there is a start of a rich debate there in terms of what it might actually mean for our major cities but also our regional areas.

Host: Paul, what did you make of the announcement yesterday?

Paul Wyrwoll: I think, for me – I am an economist by training, and often what we tend to think about when we think about population is, “Okay, what are our resources? Do we have fixed resources of land? Do we have fixed resources of water?” and, all of a sudden, all of these debates can start to become, “Oh, we don’t have enough space. Oh, we don’t have enough water, we don’t have enough food to be able to fit a larger population.”

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Maybe a good way to think about these things is to start thinking about, “Okay, well how can we make use of the resources that we already have in a more sustainable way?” and start from there rather than looking at the supply side.

Host: Yes, a good point. Let me turn to you now, Paul. What was the policy issue that caught your eye over the last week?

Paul Wyrwoll: Thanks, Martyn. Well, my one is squarely and firmly from the “Canberra Bubble”, as our Prime Minister likes to say, and that was an article in *The Canberra Times* yesterday, that was saying that the big four consulting companies were rewarded \$562M worth of contracts in the last financial year. Now, that is up from about \$100M about 10 years ago.

I do not work in the public service, never have – I have never worked for one of those consultancies before, but it raises a few questions for me that I think some of the listeners of this podcast might be able to answer.

There are [ed.] three of them. One of them is: are they core functions of the Australian public service that are being outsourced? Is that what this flow of money represents? The second is: is half a billion bucks, is that value for taxpayers’ money or could it be better invested in the APS in terms of better training or more staff?

And the third one, which is probably the big one in terms of the policy-making process, is: can the staff in these consultancies speak truth-to-power when whether or not their company gets the next multi-million dollar contract depends upon whether the answers they give on the current one are what the Minister and their political advisers want to hear? Those are three big questions for me.

Host: Those are three very good questions. I think what we will do is we will put those questions up on our podcast Facebook group. We will ask them of our listeners and see what their take is on those, but I am interested in your take on this, Sue, because you are obviously involved in the Institute of Public Administration Australia, and the public service review is something you spend a lot of time thinking about. What is your perspective on this story?

Sue Regan: Yes. We have talked before on the Pod about the independent review of the public service that is happening at the moment, and that is reaching a critical point. The review put out some ideas earlier this week and one of the key debates is about the workforce, obviously, and on the role of private consultants and, as Paul has highlighted, the use of private consultants has gone up considerably over the last decade and there is questioning about whether it is value for

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

money, and – I mean, I think your question is great – can they speak truth-to-power when they are reliant upon getting further work from the public service.

I mean, I think that the private consultants can play a tremendously valuable role, I think. The use of the term “Canberra Bubble” often applies to the public service itself. It can revert and often is a very introverted, exclusive club, and I think the more external perspectives can benefit the quality of the policy-making process. I think you do get a different perspective from the private consultants. They approach policy-making in a different way to the internal processes within government.

I think they can bring a lot of value. I think it has perhaps gone too far – and there have been implications of that. I think a lot of the core policy work has been outsourced at times and that has led to a reduction in the capability within the public sector so, yes, it is not without its implications.

Host: Both very important points and thank you for that.

Listeners, you have heard what have caught the eye of our presenters this week. What has caught your eye in the wide world of policy? You can let us know in all of the usual places. You can hit us up on Twitter, where we are [@APPSPolicyForum](#). You can email us at podcast@policyforum.net or you can jump on our Facebook podcast group, [policyforumpod](#), and just let us know your thoughts there.

On the subject of the podcast group, we are recruiting members for that podcast gang, so jump on to Facebook, type Policy Forum Pod into the search bar and you can find a full behind-the-scenes experience of the Pod, tune in for a chat with our listeners and our presenters. There are some great discussions happening on there.

Today on the Pod, we want to take a look at how policy makers deal with sudden, unexpected change, from Trump to the European migration crisis, Brexit, and beyond. In 2016, when the majority of polls pointed to a clear win for Hillary Clinton and Trump ended up taking the win, the world was pretty shocked. Trump drove his campaign based on the fear of immigrants, by offending swathes of potential voters and discretising experts.

Since then, we have seen him revert to Kim Jong-un as ‘little rocket man’. We have seen the video of him talking about grabbing women by the genitals, another of him mocking a disabled person, and recently the longest ever Federal Government shutdown over his plan to build a wall to keep Mexicans out.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

It has not been a smooth democratic sailing, but also in 2016 – it was kind of a bad year, really, we saw the vote for the UK to leave the European Union, to Brexit. It was a surprise to many. The UK swiftly triggered Article 50, which is the two-year mechanism for a member state to leave the EU, and in the two years that have followed we saw the country and the EU trying and failing to get to grips with the decision.

UK Prime Minister, Theresa May's, deal she struck with the EU was overwhelmingly voted down twice in Parliament. This week, John Bercow, the Speaker of the House of Commons, ruled out third vote on the same deal and, with nowhere else to go, May is now reaching out to the EU to postpone Brexit for either a short delay, to push the deal through, or a longer one of up to two years.

We are recording this on Thursday morning and, probably by the time you have listened to this podcast, you will know far more about what is happening in Brexit. It is moving so rapidly but, as we are recording on Thursday morning, overnight Donald Tusk, the European Council President, said the EU would only allow a short delay if May's deal, which currently does not command a Commons majority, is passed.

The clock on all of this is ticking. Brexit day that marks the two years since the UK triggered Article 50 is March 29th, so it is just around the corner – really at the cliff edge on this stuff so, today, we want to ask are democratic institutions up to the job of coping with huge shocks to the system, and we want to take a close look in particular at Brexit and how has that impacted the policy and politics of the UK and EU.

We have got an amazing line-up of guests to discuss these questions, haven't we, Sue.

Sue Regan: We have. First of all, we have got Nik Gowing. Nik is the co-author of the book "*Thinking the Unthinkable*" and the Director of Think Unthinkable Ltd. I know of him well, because he was the BBC World News's main news presenter until fairly recently – until 2014. He is also a visiting Professor at King College, London, and the Nanyang Technological [ed.] University. Great that Nik could join us.

Host: That is fantastic – a proper BBC journalist in the podcast cupboard [crosstalk 0:12:42].

Sue Regan: Yes, very exciting. Then, we have also got Dr Anne McNaughton. She is a Senior Lecturer here, at the ANU, at the College of Law. She is a Fellow, also, of the European Law Institute and her research focuses on the European Union's unique legal order and also EU-Australia relations so, again, a great expert to have with us today.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Finally, we have got Dr Alister Wedderburn. He is the John Vincent Postdoctoral Fellow at the Coral Bell School of Asia Pacific Affairs. His research looks at the relationship between international relations and visual, literary and popular culture, and he teaches here, at the ANU. His course is Special Topics in International Relations. This looks at cultural approaches to international relations. Again, a great addition to the panel.

Host: It is a fantastic line-up and anyone who listens to this Pod on a regular basis knows that I have strong feelings about Brexit, so I am really interested to hear what the panel has got to say. I am going to be stepping aside. I am going to be leaving the interview to you, because I am interested in how you are going to shepherd that discussion but, also, I am not sure I can be entirely objective or sensible about this topic, so I will be stepping aside.

We will hear that interview in a second but, first, again a quick reminder to our listeners: do get in touch with us about the podcast. Let us know your thoughts, let us know your comments, hit us with your questions. We absolutely love hearing from you. You can find us on Facebook, where we are [policyforumpod](#). You can find us on Twitter, where we are [@APPSPolicyForum](#) or just email us, podcast@policyforum.net.

Do stick around after the main interview, because we are going to be going over some of your questions, comments on previous podcasts and on pieces that we put up on our website, policyforum.net, but for now let's have a listen to that discussion.

[interlude music 0:14:37-0:14:43]

Sue Regan: Welcome, Anne.

Anne McNaughton: Thanks, Sue, it is lovely to be here.

Sue Regan: And welcome to Nik.

Nik Gowing: Thank you very much.

Sue Regan: And welcome to Alister.

Alister Wedderburn: Good morning, Sue, thank you.

Sue Regan: Thank you very much for joining us today. We are going to be having an excellent discussion, I think. From the election of Trump to the UK deciding to leave the European Union, why are we seeing so many seemingly unpredictable events these days?

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

I want to kick off by asking you, Nik, about, in light of this, do you think our democratic institutions are ill-prepared to take on these challenges of unpredictable shocks?

Nik Gowing: Well, I am involved in a massive project, which I started after I stopped being a broadcaster actually five years ago, when the world was becoming quite unhinged in many ways because of Putin. We have called it *Thinking the Unthinkable* because so much of what is happening appears to be unthinkable, but actually based on an enormous amount of interviewing and frank discussion, often behind closed doors, usually one-to-one, what we are seeing is a real fear and inability to cope with something which is happening now.

In short order, what you are seeing, I think, is that the conformity which qualified leaders for the top – in other words climbing the greasy poll whether in the corporate sector, whether in government or in politics is actually disqualifying them to understand the enormity of change that is taking place.

Our project predicted Brexit on the 1st of June, 23 days before the referendum, and also predicted that Trump will be nominated – quite apart from being elected, simply because of one thing: we do not call it populism, we call it ‘push-back-ism’. It is the resentment among the public against so many, whether in the corporate sector or the public sector, who simply are not delivering on what they say they want to deliver on, who do not have the right values and do not have the right purpose. Therefore, anything like a referendum which happen to be about the European Union membership in the United Kingdom, was seen as a way of people saying, “I do not like the system anymore.”

I do not think the question is about democracy. Democracy is actually producing new governments. Look at Poland. Look at Hungary. Look at Sweden. Look at what happened in France with the decimation of the traditional parties apart from the national front. Look at what is happening in Italy. You cannot say democracy is dead. It is just producing very different results, and the real sweat and the real stress is about the political parties who do not get the enormity of what is happening, including in the place like Germany where there are very traditional parties, traditional party structures.

To get to the top in a party in, say, Germany, you have to conform, but actually conformity is disqualifying you from understanding the enormity of public pressure which is the pushback against the system.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Sue Regan: What about the institutions of democracy, though? How do you think they are coping – the Parliament, the public service? Are they equipped to be dealing with these challenges?

Nik Gowing: Well, one of the top interviewees was actually a four-star general, who is now running the British Military, and he said the enormity of what we are facing is like eating an elephant in one mouthful, because so much of what we assume would happen in a kind of regulated way over days, weeks and months is happening altogether, and it is beyond the power, almost, of politicians and corporate leaders to handle this enormity.

They are enfeebled, and many of them have described to us very privately that they are scared, and they are overwhelmed because actually the systems which you are talking about are simply not able to cope.

We are not talking about the systems. Remember, systems are actually manned, and the personnel are men and women. It is a very personal issue about whether they have got the capacity to handle it, and that is a very different question to: are the institutions good enough?

What you are seeing is public servants and you are seeing corporate leaders, including the chief executives – look at the Royal Commission here, in Australia. The decimation of credibility, and honour, and respect that there is now for the banking community, it is the people at the top who are really struggling, so I would qualify your questions and say it is not the institutions – it is the people who are involved and the capacity to handle it, and it is damn difficult.

Sue Regan: Anne, can I turn to you on this? How do you think policy makers and legislators are coping with the pace of unexpected incidents?

Anne McNaughton: Well, the distinct impression I have is that, in a sense, they are really not and, just to pick up on some of the comments that Nik has made in your question about institutions, I think it is really important to remember that institutions are just people.

There is a framework and there is a structure, and that has been put in place to manage certain events and circumstances, but if the individuals and, collectively, the groups in those institutions do not have a particular moral compass – and I am not about to suggest we start going down that path and explore, that is – but just some fundamentals around integrity, around doing the right thing. I actually do not think it is as difficult as sometimes it is made out to be.

A very good rule of thumb is usually if you would not want to see it on the front page of The Sydney Morning Herald, do not do it, and I think a lot of the behaviour, for example, in the

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

banking Royal Commission, when you look at it you say – here, in Australia, we talk about the pub-test – “Would it pass the pub-test?”, and an awful lot of behaviour, frankly, I look at it and think, “Nobody would think that was okay, least of all people who are in these positions of extreme seniority and responsibility.”

Now, if you have got people in positions of leadership, as Nik was speaking of, not able to effectively lead and, in fact, not able to be honest and genuine with their other colleagues, that then becomes a problem because they are all trapped in a particular way of behaving, and so they are overwhelmed in terms of trying to develop policy, trying to suggest a way forward that would be observed and would be attempted, and also trying to break out of the mall that they feel they need to just subscribe to.

I am sure individually they are people who see that there are things that could be done but, collectively, which is how we work because of the way in which the system is set up, I think it is really rather overwhelming at the minute.

Nik Gowing: Could I say it is moving very fast.

Anne McNaughton: Yes.

Nik Gowing: If we would be having this discussion a year ago, I would be quite pessimistic, but having been at the World Economic Forum in Davos, I can tell you – as I have got a five-year timeline, here – that within the last few weeks only there is a new awareness among the political leaders and the corporate leaders that something is changing and they have got to rise to the challenge, otherwise they are out.

Whether in the corporate sector, there are those who say that capitalism is now under real threat in the same way you are asking about is democracy under real threat, but it is about a new way of acting. What you are seeing here, what you have just seen on Friday the 15th here, with climate change, what you are seeing around the world, it is easy to say, “Well they are just students.”

Something bigger is changing on climate change and leaders will ignore that they are parallel because the next generation is saying, “We do not like your leadership. We do not like your leadership on climate change, on purpose, on values, on the ethical nature of business, on the ethical nature of politics.”

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

That is why I have interrupted at this point to say, literally in the last six weeks, there has been a significant change, which is going to mean that leaders are going to have to be very different very quickly, otherwise they are out. That is a big challenge.

The second challenge is most of the next generation do not want to become leaders, so many companies, many political organisations are finding it difficult to find people who are going to be the next leaders. That is a real existential threat in many ways.

Sue Regan: Alister, can I bring you in on this?

Alister Wedderburn: Yes.

Sue Regan: Do you sense this change that we--; there has been a turning point and that we are starting to expect something different of our leaders?

Alister Wedderburn: Well, I think — to return to what Nik said about ‘push-back-ism’ as opposed to populism, that raises, I think, a further question as to what precisely people are pushing back against and why that has emerged as an object of resentment at this particular historical conjunction.

I am not sure it is possible to perhaps compartmentalise that question into a single answer, of course but, again to return to the question of institutions, I think 2008 or 2007-8 and the banking crisis has very much underplayed in these discussions of political instability, or at least it often is.

Bank bailout is, literally, nobody’s idea of how capitalism should work from the right to the left and everything in between, and that, I think, leads to a certain mistrust of economic institutions’ [ways? 0:23:57] because if those bailouts feed into the political system and, while I would by no means claim that that is a magic bullet for the explaining the instability we are seeing today, I think there is a long historical story that goes back at least a decade and quite possibly more.

Paul Wyrwoll: Just picking up on the question of history, Alister, can I ask: is there something special about this moment? Is there something special about what is happening now in the financial crisis? There have been financial crises [*ed.*] throughout history. What is special about it now?

Alister Wedderburn: That is a very good question and I am not entirely sure necessarily. I mean, the one thing that is very definitely different about the contemporary political landscape, and something that is becoming more and more of an issue within politic discourse and within the academic study of politics, is digital media and the role that that plays. That is clearly a space, a

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

discursive space in the political space that has, perhaps, not received until quite recently the attention that it should have done in terms of the influence on social relations perhaps more widely.

Clearly, that has fed into questions like Trump, and Brexit, and those enormous emblems or makers of contemporary political instability in ways that, really, we are only beginning to discover now.

Paul Wyrwoll: Well, speaking of Brexit, I have a feeling that there are a few people around itching to get stuck into that.

Nik Gowing: Could I just come in, though, on that, if I may?

Paul Wyrwoll: Yes, please.

Nik Gowing: [?? 0:25:30] I am sorry to interrupt you but let me just pick up on that. History tells us what is going to happen and what is happening. We have probably had 70 years of relative stability compared to what is coming down the track, and what I am going to be lecturing about here is about what I call a red alert – that history tells us that we have had a relative period of calm and stability compared to what may be coming next.

Robert Kegan has just written a book about the jungle fighting back. We all come from a generation – although those of us who are of certain age remember the Cold War and so on – which has assumed stability, and natural growth, and natural comfort zone, and I think this is where the politicians and the corporate leaders are going to face a massive problem [because], helped by what the Chinese and the Russians are doing in terms of trying to subvert and destabilise societies, not with weapons but with cyber weapons.

What you are seeing is the potential, in addition to all these economic and social factors, for what we have assumed is natural improvement. Maybe not in a place like Canberra but in many parts of the world the assumption that the world, and the way you live, and your wealth is going to improve, is probably now a false assumption, which is going to be very difficult for politicians and the corporate class to manage.

What you are about to see, not just because of AI, and what you are seeing already is the hollowing out of the middle class, which is going to be in the hollowing out of value. Now, you may think that this is all Marxism in Trotsky's revolution. No, the indications are there and that is something which most people do not really want to accept.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

I have just come from Munich, from the Munich Security Conference, which is an extraordinary gathering of people at the top and, literally – and I have it in front of me, here – their document for the opening in the middle of February was, “How do we pick up the pieces?” In other words, they are saying the whole place, the whole world has become fragmented already, we have now got to pick up the pieces, we need new management tools to prevent a situation in which not much may be left to pick up.

That is scary, and that is what politicians have got to accept quite apart from Brexit, which you might view as a form of self-destruction, but what you are seeing in many countries is the decimation of the systems of governance and the credibility in governance, in addition to which there is the pressure from China, the political pressures from China and Russia.

I hope, if I get invited back in five years’, 10 years’ time, you will say, “You are far too pessimistic” but, so far, the trend in the last five years has been that gloomy. It is not pessimism. It is about realism, and that is what makes good leadership: understanding what you have to do. To pick up, history shows us with the First World War and the Second World War what can happen if you do not understand this. Most then want to think it.

Anne McNaughton: I think I would like to come in on that, though, as well. I do not necessarily disagree but [?? 0:28:20] thinking that I have been doing for a long time now, and particularly because my core business is as a teacher, really, here, at the Australian National University, and so there were a couple of points picking up on what Nik has just said.

One of the things is that it was brought on very clearly to me a couple of years ago, teaching in my European Law and Politics of Integration course, an assumption, because I had grown up through the – starting to tell my age now – grown up through the collapse of the Cold War, but I had visited East Germany and gone through there.

I was talking about this in very general terms as if my audience, my students, understood and knew about the collapse of the USSR and the, to my mind, marvellous moment when the wall came down in Berlin, and so on, and I found I had to actually almost give a little history – a little, tiny history lesson, and it came home to me incredibly clearly – because I am an EU devotee from the beginning to the end, problems notwithstanding. The world with the EU in it is a far more stable place geopolitically than without it.

So, if I am going to persuade my students to my way of thinking rather than them simply accepting my position because I am the person at the front of the lectern, I need to give them some

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

information and point them in the direction, and the starting point is: if you believe in rule of law, tolerance, dignity, the democratic institutions, then this is the best model for that, this is the way forward – this is more or less how I began.

The first point is that, as Nik said, the history teaches us if we forget history. Actually, the part of the interesting aspect of Brexit, as well, was that young people there had not known any different. Of course, they assume. They did not appreciate the danger that perhaps they perceive now and that we perceived, who are a little older and could see it in the context of the longer historical reach.

The other point I would make, though, on this as well is that, while the leaders – and at-the-top, if you like, are trying to work out what is going on and what is happening, on the ground all of us are getting on with our lives on a day-to-day basis, trying to make the best of the situation. That is why, personally, I find the climate change movement with the young people across the globe so encouraging, because they are becoming re-engaged and they are re-engaging on their terms.

We do not really know what that is looking like and what that is going to develop, but the starting point is they care, and they care about preserving and saving the world, the environment, each other – that has got to be a great place to start from and, while the leaders are trying to work out things at the top, which is important, and necessary, and there is a space for that, at the grass-roots level, as well, there is a slow re-engagement. That we have to encourage and support that.

Nik Gowing: I do not think the unthinkable. Let me tell you, though, that what you are talking about here is denial, and that is why I raised climate change. If we had been talking about it before Greta went to the World Economic Forum, we would not be talking about it, but now something much bigger is happening. It is happening at an exponential rate, and the politicians are going to be caught off-guard here. They are going to have to come up with stuff which really addresses this. These are the voters of the future.

One of the sanguine things about Brexit is that a million people who voted for Brexit have now died because *[of]* old age, and so you are seeing a demographic change. The systems and the leadership attitudes are not changing with it, and that is why what is happening, and what you were seeing on Friday the 15th, and is going to keep happening. It is an exponential rise and it is going to happen very quickly. We are talking at the beginning of an election process, both in New South Wales and, also, the federal election.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Now, when I think back to the 10 or 12 years ago, when John Howard wanted nothing to do with climate change and suddenly I was up at the Hayman Retreat for the leadership retreat, and suddenly there was a push on climate change, and suddenly all that went to John Howard, and suddenly he woke up to it because he saw it as a vote winner, potentially – then, it has been killed by Abbott, but I am telling you that this is a really big issue, and if we are talking about leadership that is the one thing which is going to really destabilise a lot of governments.

We have seen it in France with the gilets jaunes and that was over a diesel tax – 80 percent of the country did not want that tax imposed.

Paul Wyrwoll: Well, speaking of polls, this week in our podcast group we ran a poll, which we are going to try and do on a weekly basis. If you want to vote, join the Pod group on Facebook, on Policy Forum Pod. For this Pod, we asked you, the listeners, whether you saw Brexit or Trump coming. Most of you responded that it had caught you by surprise, with only one person saying that they saw Brexit coming.

Picking up on some of the discussions we have had about Brexit already and maybe taking a closer look at Brexit, Alister – if I can start with you, why do you think so many people did not see Brexit coming, and should they have?

Alister Wedderburn: In my field in international relations, there is a common presumption or a common belief in the stability, not so much of international order per se but rather stability in the principles that govern it. People will go back to Thucydides, and Hobbes, and various other thinkers and claim that there was a certain continuity or a certain stability in the principles that govern and influence the way in which politics is carried out.

I am not so sure about that in that kind of way of thinking. Change is something that happens exogenously as political scientists say it comes from outside. I think perhaps recent changes and, indeed, other historical changes become far more-easy to understand if you accept change and transformation not just as something that happens within political systems but as something which is, in fact, the founding principle, the underlying principle beneath political order.

That is a difficult thing to think about that kind of radical instability, and people tend not to do that. And so, after let's say, the Washington Consensus, from roughly 1979, 1980 there is a certain stability there that was confirmed by the fall of the Soviet Union – or at least in some people's eyes was confirmed by the fall of the Soviet Union, and that has now begun to unravel for again a number of reasons, but I would go back again to 2007, 2008. It takes a while for the instability,

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

the big upheaval and a big shift like that. It takes time for that change to manifest itself, I suppose, at the shop-end of politics. That is perhaps why it is only now that we are coming to terms with that.

Paul Wyrwoll: Now, if we take, building on some of the comments that Anne and Nik made before, the instability is normal and that actually we have just been going through a period of relative, I guess, stability – and radical change is normal, how then can policy makers and politicians in the UK with Brexit or in other countries respond to the shocks? Nik, can I start with you?

Nik Gowing: Well, I will come back to our main finding, the conformity which qualifies people for the top disqualifies them from understanding the enormity of disruption. I know I am sitting in one of the leading seats of academia – in fact, my God-father was one of the founders, Keith Hancock, but I have to say that I think academia is conformist, as well. It is conformist in its own literature. I can say that because we had enormous pushback against us from the traditional thinking back in February 2016, when we first published.

Before the Brexit referendum, people almost accused us of smoking something, in saying what we are now saying, which is that actually you are getting--; you are failing to understand the enormity of discontent which is out there, and that was four months before the referendum in the United Kingdom.

I think there has to be much greater encouragement to think in a very different way. That is why we called it Thinking the Unthinkable, but it is actually not thinking the unthinkable as much as thinking the unpalatable. The smart people can see the evidence and that is what we did. We did predict. We were the second – if you have got one person who said, “I saw it coming,” we predicted it.

We wrote in Chatham House on the World Today on the 1st of June, “This is what is coming down the track,” and it is not in any of the risk registers because people--; it is not thought of to think about things in a different way. That is a big cultural change. It is a big mindset change. It is a big behavioural change.

Picking up on one of the reasons why I am doing this, having left as the main presenter for BBC World News, I left in early 2014. It was when Putin was doing dreadful things in Eastern Ukraine and, also, had ceased Crimea in violation of international law, and one of the reasons I started

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

down this track was I was approached to do a project and do some radical thinking on why this had happened.

One of the things that happened was, in the European Union, at the Vilnius Summit, in November 2013, they were insistent that Putin would accept an association agreement from Ukraine. They did not believe that Putin would be furious, and that he would be resentful and say, "With this I will not put," and that is what led Ukraine, what has led to the destabilising of Ukraine, the ceasing of Crimea, violation of international laws.

Within the external action service, they were not prepared to consider actively that Putin would do what he then did. Much of what is unravelling in the world now can be dated to Putin saying, essentially, two fingers to the European Union on this association agreement. We are seeing it in many leaders in the developing world, in Africa, and look at what is happening in Venezuela, and Brazil, and elsewhere, which is a going against traditional thinking.

Get me wrong and I will get back at you, these are serious moments of instability, which is why you feel like the Hobbesian approach is in fact wonderful to talk about and sit exams for, but it does not really help us when it comes to understanding the enormity of the unthinkable things which are now happening. That is why we talk about a red alert, because leaders have to think in a different way.

Paul Wyrwoll: Just to remind our listeners, the Hobbesian view – what was the great--; Anne, do you know?

Anne McNaughton: No.

Paul Wyrwoll: Was that, with our political coordination, that mankind's life is "solitary,(...), nasty, brutish, and short"?

Anne McNaughton: "Brutish and short", yes.

Paul Wyrwoll: Yes? That is the one.

Sue Regan: Yes, we have got a question from our listeners now, if that is okay. Mark Zanker would like to know – and I think I will put this to you, Nik, if that is okay: "Why has Theresa May hammered the theme of delivering on the will of the British people in so many of the speeches she has made on the Brexit issue, given that the vote was not compulsory, that significant numbers of people did not vote, and the majority of voters in Scotland and Northern

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Ireland did not support leaving the EU?" This has been a puzzle to me, too, Nik, so what is your thought?

Nik Gowing: Why did you not invite her to answer the question herself? I cannot get into her mind. I mean, for a politician to be a single-minded and lonely as she is, she has done remarkably well, but it is like a Rubik's cube what has happened with Brexit. It was an impossible thing unless you were a genius at mathematics and politics to fix this. You have asked so many questions. I do not know the answers, frankly, because it has been about survival, it has been about delivery – 52% versus 48% of those who voted did vote for Brexit.

Will it be tested? Will there be a second referendum? I am not answering your question, because I do not [?? 0:40:12] know the answer, but if there were to be a second referendum, I suspect you would see a significant number of people who would say, "Look, I voted once, do not tell me I have to vote again, do not try and do Ireland or Denmark on us," and "If you did not get the message then, I am going to give you the message now, which is screw you." That is what we believe in, even though it is almost an issue of self-destruction for the United Kingdom as a 'United' Kingdom and a sovereign state.

We are speaking nine days before it was due to happen on the 29th of March. Now, it may be another two months, but I could not tell you what is going to happen tomorrow, let alone why much of what has happened has happened, apart from the fact that the political system has been shown to be unable to accommodate this.

Paul Wyrwoll: Just to jump in, I think the dynamics that underpin the Brexit votes are much bigger than Brexit itself, but they are nevertheless factors to do specifically with the Brexit vote that have compounded those dynamics. I think not least the wording of the referendum question itself, which gave no clear path from A to B in terms of how to actually leave the European Union or what leaving the European Union might mean, and clearly the ambiguity that that has set in motion has played out in the chaos that we are witnessing now.

In terms of why Theresa May is so fixed on the will of the people, I think part of the reason for that is that, while the referendum was not legally binding, it is nevertheless very politically difficult to turn away from that, and Theresa May cannot count on the will of Parliament to do her bidding, and so she has only that, really, to cling onto as the driving force, the justifying force between, or underpinning how withdraw the agreement. I think that is important, as well.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Nik Gowing: But I think what has been happening in the last two or three months, and what may happen before transmission of this and after transmission of this, has not just been a car crash. It has been a nuclear bomb of testing how politics works, how democracy works. We are in the first [pass the post? 0:42:19] system of constituencies.

If it was proportional representation with a lease system, the realities would be rather different in Parliament, but you are dealing with MPs who each have to be nominated by their party association in order to stand, and what you can feel is, quite apart from the issue of whether this is good for the United Kingdom, is actually about how the survivors and MP, do they vote the way they believe or do they vote the way their party association believes, or what they believe most people in their constituency believe, which could be different to what the majority in the country are believing.

It is not a great way of testing people public opinion. When President Macron, as a result of his grand débat after the gilets jaunes catastrophe has been going around France for the last few months, and starts talking about, "Let's have a referendum," I say, "You must be nuts. This is distraction – distraction of good relations, of family relations, of relations between friends." It has generated a level of nastiness you cannot believe, between people who have been friends, acquaintances, working with each other. It is a seismic inversion of good societal balance. It is terrifying.

Sue Regan: I can vouch for that, personally. We had great division among my family on the Brexit vote. I could still vote, even though I have been in Australia for a while, though most of my family are back there and, yes, it led to rather difficult Christmas dinners – the Christmas after the vote.

Nik Gowing: Most people voted on the basis of not understanding what they were [crosstalk 0:43:55] for.

Sue Regan: Oh, absolutely and, indeed, this is another listener question for you. Nik, this does relate to what you were saying about earlier, so I will only put this one to--; Actually, I will give it to Alister. Did those who promoted about Brexit and those who voted for it really understand what it involved?

Alister Wedderburn: No, because I do not think there was anything to understand. There was no substantive policy beyond 'leave', whatever that meant. Just before we started the record, Nik, you mentioned the kind of confusion at which Boris Johnson and Michael Gove faced the morning after the referendum.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Nik Gowing: [crosstalk 0:44:34].

Alister Wedderburn: Yes, please do, I think.

Nik Gowing: Well, you could see from Boris Johnson's face, even in the amount of self-confidence who I knew as a Daily Telegraph correspondent in Brussels. He was pretty shaken by what he unleashed but, for me, the surreal moment is Michael Gove, former Times journalist. He was woken at 4:45 on the 24th of June by his wife, who happens to be a journalist, Sarah Vine. Sarah Vine told Michael Gove [?? 0:44:58] most of the night, "You've won."

I have checked this with him. I have asked him personally. I said, "Did this really happen?" and she said then, "You've won," and he said, "Oh my God, I better get up." She then said, quoting *The Italian Job*, that marvellous film, "You were only meant to blow those," excuse me, "bloody doors off, not actually rob the bank." In other words, those who have unleashed this did not expect it to happen and had no policy.

Sue Regan: Anne, what is your opinion on putting such a complex question, such as leaving the EU, to the people directly?

Anne McNaughton: I am going to speak frankly here – and I am choosing my words really quite deliberately. I think it is a great wickedness, and I think it is a great wickedness not only shared by the UK Parliament but the governments of all the member states. What Brexit demonstrates is the failure of all of the member states to clearly articulate to their populations and to their citizenry the benefits.

Yes, there are down-sides, as well – there is no questions of that, but there are very clear real benefits of being in the European Union, and there was an absolute failure to refute, particularly in the populous press in the UK, there was an unrelenting push from the media and the tabloid press about – and blatant lies; with respect, Boris Johnson was a big part of that – peddling lies.

Then, unfortunately, those not being refuted were just going to have a genuine debate at the grass-roots level about the pros and cons of being in the European Union and what this means, much of the criticism that has come through and the complaints that we hear in snapshots and soundbites in relation to why the EU is such a dreadful enterprise, and there is no question that there are deep pockets of inequality in the UK as there are throughout the EU, as there are across the globe. The point about this, though, is that much of, if not all of the responsibility of that lies in Westminster. It does not lie in Brussels.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

The other point about this is the iterations, and the treaty amendments and developments since 19 – well, in fact 1952, when you had the Coal and Steel Community, but let's say the European economic community, which is at the core of this whole project. 1957 through to 2007, when you have the Lisbon Treaty, you have an evolution of a political and legal structure – it is a legal enterprise and you have the structure that has evolved and developed, and there were no questions, there were those who antagonistic towards it, but that was never clearly explained down using the principle of subsidiary, for example, at the grass-roots level.

So, by the time the referendum came around it was too late to try and win back – to use that, in my mind, dreadful expression – hearts and minds of the people in question. Though, that groundwork should have been done by all the member states' governments sequentially over a good number of years. The problem with the state campaign was that the very people who then had to try and promote 'stay' were the ones who had allowed it to continue to go through to the [?? 0:48:13], blaming Brussels, and saying, "Well, what can we do? Our hands are tied" which, in fact, was never the case.

In terms of what was happening, I can only exceed it as a great wickedness and a betrayal of the Parliament and the government to its citizens.

Nik Gowing: Can I just add to that, though, that now what is fascinating at the end of the five-year term of the Commissioner's, I have heard people, like Frans Timmermans who was the first Vice-President, who said two years ago the European Union two years ago was on the brink of collapse.

You have now got George Soros warning that actually the European Union could collapse like the Soviet Union. Now, I think that is probably going a bit too far, but I have heard – and I have witnessed – commissioners who were there to do it in a certain way, saying, "We got it wrong. We assumed that the public wanted to support the European Union. We should have gone out and sold."

Anne McNaughton: Yes.

Nik Gowing: Now, of course, they are not for re-election. Most of them will never get reappointed, but you are facing the European election where there could be immense pushback and resentment now against the European Union, and by their own admission – I am just building on this point, by their own admission they realise they should have been out there selling [crosstalk 0:49:21].

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Anne McNaughton: Absolutely, no question about that.

Nik Gowing: And [crosstalk 0:49:22] example of what could happen in many of the countries, too.

Anne McNaughton: Yes, there is no question about that.

Alister Wedderburn: Yes, I would just like to contextualise the question you asked, Sue. It was about whether it was full-hearted but a complex question to the British people, and I would like to contextualise the Brexit votes just by reminding everyone that it was two years after the Scottish Independence Referendum, which was obviously not without its issues but a far more positive experience for at least many Scots – I was living in Glasgow at the time, and which also, in terms of the “British political establishment”, quote-unquote, came out with the right, quote-unquote, “result” as well.

I think that would have almost certainly inform that decision to move for a referendum on Europe, which clearly, in retrospect, was an irresponsible and a grotesque strategic error, the gains, potentially for Cameron in terms of wresting control over a wing of his party [?? 0:50:27] for 30, 40, 50 years, but potentially very great.

That it did not work out like that, I think there is a number of reasons for that, not least that the European Union is a far easier object of resentment and perhaps [?? 0:50:43] given credit for, especially in the wake of Greece and what happened in Greece, and the spectre of Germany moving over Europe, which I do not believe was an accurate one at all by which, nevertheless, is [?? 0:50:57] very powerful one and something that you can be at least honest to a particular discourse.

Nik Gowing: Could I just give a footnote here about a referendum? Someone I know, who is very steeped in the way things work in Parliament, says that if there were to be a people’s vote a second referendum, there are already 17 different questions which have to be chosen, because the question itself then includes an inherent bias – 17 different options; it is not just ‘yes/no’.

Anne McNaughton: I just want to add that, notwithstanding my heartfelt commitment to the EU, I am not blind to the challenges and the complexity there. It is just that when I look at the world with those member states not integrated in that legal system, as opposed to what we have at the moment, notwithstanding its difficulties – and I agree it is quite--; there is a real risk there, as well, it is quite fragile, as there is in the United Kingdom. I mean, that word ‘united’ is very much under threat, at the moment,--

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Nik Gowing: Yes.

Anne McNaughton: -so I think it comes back to that core principle, which is, as individuals, people need to be thinking a little longer and more clearly about what they want, and then working out what the trade-offs are in committing to that.

Sue Regan: So, where is this all going? Where will the next big shock come from, do you think, I am going to ask each of you. What do you think is the main lesson that we can take away from the Brexit debacle?

Anne McNaughton: Well, personally again, I think it is about people re-engaging honestly with integrity. I am under no illusions about how difficult that is to put into practice, particularly in a world with trolls, digital media, all sorts of difficulties there. I understand that, but the fact remains that if we do not start adopting a little bit of the faith and the idealism that those young people had in the climate debate and start to genuinely work out what kind of world do we want to be living in and how do we begin to work towards that on an individual level as well as on an institutional level, we are going to continue to have these challenges.

Sue Regan: Alister, your thoughts. What is the next big shock?

Alister Wedderburn: In terms of Brexit? I mean this will be out of date, no doubt, by the time it's at, but John Burko's intervention earlier this week and Donald Tusk's statement that he made overnight Australian time yesterday, on Wednesday European time, I think exemplifies a very serious struggle over Theresa May's strategy and Theresa May's viability as a Prime Minister of the United Kingdom. Her strategy has been to winnow down the options to two: her deal or no deal, which is probably the only other option is more unpalatable to the British Parliament.

Burko's intervention, where he said that she would not be able to bring a deal back, opened up Pandora's box to any option, I think, and Tusk's statement, where he said that the EU will not grant an extension unless the British Parliament passes Theresa May's deal seeks to move it back to two, so there is this kind of expansion and contraction of the options happening at the moment. What the result of that will be, I do not know, but I think it is that that is the key battle around at the moment in terms of Brexit.

Sue Regan: And, Nik, what is the unthinkable that we should be thinking about?

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Nik Gowing: I think there are plenty of unpalatables. Alien invasion – well you could say that referendums are really invasions of logic, and the balance thinking, that is an alien invasion of could you really do that, but there are a lot of people out there who are prepared to do it.

I think the corporate class is under real threat at the moment. Even Raghuram Rajan, the former Governor of the Royal Bank, the former Governor of the Reserve Bank of India, said a few days ago he may be a contender to become Governor of the Bank of England. He is now the Chicago Booth School of Business. He said, essentially, that the public is losing trust in the corporate system because the corporate system is not producing wealth and benefits for people anymore, except those at the top, and that is what Macron is experiencing.

These are really serious moments, and what I am going to be talking about here, every slide I am using is a red slide because I think it is a red alert. It is about those at the top realising that it is not just about them clinging on to their pensions, and their salaries, and their reputations. It is about the brave leaders getting out there and saying, “Things are going to be really different,” and we have somehow got to manage this.

It is easy to say that this is a real threat to governance, but that is why Brexit has to be seen as a leitmotif for where things may be going in Italy, in Hungary, in Poland, in Sweden of all places, in France as well, and in other countries, of the dangers of governance imploding.

Let me quote to you one chief executive, Iain Conn, the Chief Executive of Centrica which provides British gas. They have just lost 700,000 customers, and he is one of the very few who is prepared to go on the record for all that work: “Business has to form a different relationship with society and government, and right now it is at a low point. We are going to have to find a way to be trusted. Power is shifting to the customer, because they have more choice and digitisation is accelerating the whole thing.”

Now, that is the corporate view, but it is the same for politicians, as well, and the British Academy in the UK, which is the doyen of social scientists, is saying that mistrust in the corporate system and the system of wealth has never been as great as it is now. They are doing a big study on the future of the corporation, but can I leave--;

You are asking me for my view, and you may want to carry me out horizontal and sort of accuse me of smoking something, if I able to say what I am about to say, but I want to put it actually in the mouth of Jo Kaeser, who is the chief Executive of Siemens – a massive engineering company worldwide. He encapsulates – he decided to do this, not us, to say the following: “If we get this

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

right, 10 billion humans inhabiting our planet will benefit, but if we get it wrong, societies will be divided into winners and losers, social unrest and anarchy will rise, the glue that holds societies and communities together will disintegrate, and citizens will no longer believe the governments are able to fulfil their purpose of enforcing the rule of law and providing security.”

Well here, in Canberra, we are sitting at a critical time in Brexit, when behind the scenes the British Government has been preparing for martial law and insurrection. Now, you may think that that is radical, but that is when you have a system falling apart, those are the kind of thing that even people at the top of industry are saying. We would subscribe to that, but it is not an easy thing to say because we would be accused of being pessimists.

I would suggest let's be realistic, and when it comes from someone who actually is providing wealth to vast numbers of people through the companies, the factories, the plants, hundreds of thousands of people, they are saying, “We cannot guarantee you stability to provide work,” which then creates even bigger problems.

Sue Regan: On that note, at last we are going to have to draw this to a close. That was a fascinating discussion and we could have kept talking a lot longer, I think. Thank you very much to the panel. Thank you, Anne.

Anne McNaughton: Thank you.

Sue Regan: Thank you, Nik.

Nik Gowing: Thank you.

Sue Regan: And thank you, Alister.

Anne McNaughton: Thanks very much.

[interlude music 0:58:33-0:58:40]

Host: Welcome back and thanks once again to our guests today. I thought that was a fascinating discussion and I am really interested in what you thought, our listeners. Do get in contact with us. Give us your feedback, your comments about what you have heard today. You can get in contact with us on email, where we are podcast@policyforum.net, on Twitter, where we are [@APPSPolicyForum](https://twitter.com/APPSPolicyForum), or you can jump on and join our Facebook podcast group, where it is [policyforumpod](https://www.facebook.com/policyforumpod). We love hearing your thoughts.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

At the end of each week's podcast, we go over some of your questions and comments that have either been left for us on the group or that have been left for us on our website, policyforum.net. I want to hone-in on one article that was up on Policy Forum and one podcast.

First, the article. It was an article called Australia's 'suicide prevention plan' is barely worth its name and it was by Gerry Georgatos. In the piece, Gerry writes that Australia will only reduce its national suicide toll if policy makers are held account on poverty, education, bullying, and indigenous disadvantage. It is a terrific piece.

We had a comment from @Shmiggie [*sp?*] on Twitter — I am not sure I pronounced that correctly, so apologies if I did not — and he or she wrote, "Gerry is right. Too many in the established mental health club, in air quotes, for some reason refuse to prioritise those most at risk, back actual action rather than trials, truly act on race, gender and social determinants. Hopefully lived experience can change that." Perhaps I will turn to you first, Sue, with your social policy background. What do you make of that?

Sue Regan: Well, it was a very interesting article and I think there is an increasingly broad consensus that, to do anything about the suicide rate in Australia, there has to be a focus on prevention. That is not easy in any area. Social policy prevention is not easy and it is particularly difficult in relation to suicide when there are so many deep, and multiple reasons and causes which can be individual, which are also structural, which lead people to taking their own lives.

I think we should give some credit to the government in their 'suicide prevention plan'. It may be a step in the right direction, but I think I thought Gerry's article was very compelling in highlighting its inadequacies, and really the challenge and the effort which will be required to have a truly preventative approach to suicide.

Host: Because it is not just about preventing the act of suicide, is it?

Sue Regan: No.

Host: It is also about preventing or dealing with those contributing factors, those societal factors that may impact.

Sue Regan: Absolutely. Yes, and as the Twitter comments illustrated, it is about the determinants, it is about the social gender, race determinants of the population who have higher rates of suicide so, yes, absolutely it is not the act, it is looking far-further back in the train of events and looking at how we can have a society which prevents suicide.

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Host: I always enjoy Gerry's writing on this topic, and he wrote a fantastic piece – not on Policy Forum. I think it was on The Guardian, where he had looked at the suicide rate amongst indigenous communities and, in fact, amongst the very young people in the indigenous community – an unbelievably powerful, and moving, and sad piece.

I want to turn to you now, Paul. What are your thoughts on that comment and the argument that Gerry makes in the piece?

Paul Wyrwoll: Well, as a non-expert and citizen, and a man in his mid-thirties, my comment would be more just that I think Australian population is ready to be talking about suicide and to be talking about mental health issues. From my own, personal experience, now it is much more acceptable for men of my age to be able to talk to their mates when they are having problems, whereas maybe when we were 18, 19, 20 we were not doing that sort of thing so much. I think that is a really, really positive thing.

If the government can engage with changing social norms, particularly with men and other sections of the community, as well, I think it would be a very positive thing.

Host: Great. The next thing I want to turn to is a podcast which we put out recently, which was *A social insecurity system* with John Falzon, Sue Olney and Bob Gregory, and in the pod the panel looked at the problems of punitive welfare systems, the caustic language, and they were talking about job seekers, the dole bludgers and what have you, and the role that labour policy plays in creating sustainable solutions.

We asked on Twitter: are welfare policies focused on reducing the pressure on the welfare budget rather than helping job seekers find work? – I think that was based on the comment that Sue had said, and we got a comment in response from Evelyne de Leeuw [sp?] on Twitter, who wrote, "True possibly for Australia, not true for genuine welfare states like Denmark, Sweden, Netherlands." Sue?

Sue Regan: Yes, Australia has a very different welfare state to Scandinavian countries and that, I think, you can argue very strongly that Australia and, indeed, the UK's welfare systems lag behind in terms of good outcomes for people who are most disadvantages and who are looking for work.

Yes, I think we need to remember that this debate is in context and that it is a debate around welfare conditionality, and the punitive nature of welfare is a debate that is happening in

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

Australia and it is happening in the UK, but it is not happening in what we think of as more progressive welfare states. So, yes, there is that context to remember.

Host: Paul, as an economist, what are your thoughts here on striking the balance between welfare policies that [?? 1:05:24] poor people and having policies that are affordable for a country. Should Australia be looking at those models in Denmark, and Sweden, Netherlands, and think, "Well, okay, that is the way to do it."

Paul Wyrwoll: I would suggest that--; Well, maybe not suggest. I am going to make a prediction, Martyn, and that is that we are going to have a serious discussion in this country sometime in the next 10 years, about universal basic income. That is not going to be one that is going to be framed in terms of lifters and leaners, or dole bludgers, or handouts. It is going to be a more serious discussion about, "Okay, what are some of the costs of unemployment in terms of economic costs, but also social costs, human wellbeing, and what are the benefits of providing people with the opportunity to be able to fulfil their potential, and what are the best ways in which we can do that?"

We can certainly learn from other countries, but I think this dichotomy of, "Oh, if you are on an unemployment benefits, then that means that you are not willing to work" is just going to be something that, as an economist in the society, I do not think that is going to have a place in our society in the future.

Sue Regan: Paul, I laude your optimism, but I feel we are a long way away from that at the moment. I think it will take a big change in the way that we--; the way that politicians talk about welfare population and how they frame this debate at the moment, but I do agree that something will have to change, particularly in light of wider debates around artificial intelligence and the nature of the job market in the future. Yes, I laude your optimism on this.

Host: In fairness to Paul, he did say some time in the next decade. He gave himself plenty of rigour room for this [crosstalk 1:07:16]--

Paul Wyrwoll: I thought I said two, maybe three.

[laughter]

Paul Wyrwoll: -for this debate to start happening. That is wonderful. Thank you for very much for your comments, and thanks to everyone who has left us comments and questions either through our social media channels: [@APPSPolicyForum](https://twitter.com/APPSPolicyForum) on Twitter, on the Facebook group

Host: Martyn Pearce

Sue Regan (Co-host 1): Program Director at the Institute of Public Administration Australia (IPAA)

Paul Wyrwoll (Co-host 2): Environmental and resources economist at Crawford School

Nik Gowing: Founder, Thinking the Unthinkable

Anne McNaughton: Senior Lecturer, ANU College of Law; Fellow of the European Law Institute

Alister Wedderburn: John Vincent Postdoctoral Fellow, Coral Bell School of Asia Pacific Affairs

[policyforumpod](#) or via email. We really love hearing your comments. Whatever you want to say, do let us know.

If you have enjoyed today's episode – and I certainly enjoyed today's episode; it was really interesting hearing all about those big issues underpinning, particularly Brexit, then perhaps you might want to leave us a quick review on iTunes. It only takes 30 seconds. All you need to do is find that fifth star, perhaps put a comment in there – it will be huge help to us in getting the word out about the podcast.

That's it for this week but we will be back next week with another Policy Forum Pod. Until then, from me, Martyn Pearce, cheerio.

Sue Regan: From me, Sue Regan, goodbye.

Paul Wyrwoll: And me, Paul Wyrwoll, see you later.

[closing music 1:08:17]

[audio ends 1:08:32]