

The 2020 Summit: 'The Productivity Agenda'

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The meta-idea behind the 2020 Summit is something that resonates with most people. The Summit was trying to solve the question of how to come up with policy ideas whose impact will go well beyond the next election cycle. The need to achieve this reflected a national anxiety that we were not doing right by our next generation. We needed to work out ways of thinking above current political pressures, and committing to a conference focused on this seemed like a good start.

Whether it be explicit or implicit, this is why many of us so invited to participate pitched up to Parliament House on the weekend of the 19th and 20th April 2008. It is why we did so enthusiastically, despite a lack of organisation and structure to the entire event. And it is why we worked hard, knowing full well that the federal government probably had its own agenda that it would drive to see emerge from the Summit.

In retrospect, however, that meta-idea was lost in the Summit flurry. Perhaps it was an unwillingness to find fault with the political process or because that political process interfered with many participants coming with their own immediate agendas. In any case, there was a missed opportunity to focus solely on the future. This is something we need to learn from. After all, the notion that resonates — standing above political time horizons — has not been diminished. So here is what I learned from the entire exercise.

We know very little and have agreed upon even less about how we formulate long-term policy in Australia. Put simply, we have no national capability of making policy decisions beyond the short term and we need to work out ways of building this up. It is the need for this capability and ideas of how to develop it that should have been the Summit's agenda.

An example: the discussions regarding innovation. Everyone agreed we needed more of it, and we were below par. There was even agreement as to what might drive innovation — principally, increasing connections between the right people, both at home and abroad. But the discussion steered towards specific programs we might have — say, databases to identify expats living overseas or 'alumni' who have been educated here — rather than what institutions we might need to carry forward that agenda. This is not to say those specific ideas were

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not good ones: they were just very limited. The focus was on trees rather than the forest, with the goal being a list of a set of trees we might choose to plant.

There were some places where a longer-term focus was recognised: changing the structure of the federation to allow for greater coordination; working out ways of opening up information access without violating privacy rights; and continual calls for policy changes that could be implemented at little or no cost. Of course, this last — while admirable — was sometimes misunderstood by non-economist Summiteers as ‘funded proposals’, including one that would tax superannuation fund investments at 1 per cent!

Moreover, some ideas did emerge that would have generated a capability in making long-term policy decisions. For instance, there was a call for evidence-based policy evaluation. This came from a number of sources, including economist Andrew Leigh. He proposed that social and economic policy interventions be subject to randomised trials in much the same way medical interventions are. This would reveal which policies are effective and provide a ‘gold standard’ in evaluating the costs and benefits of an intervention. Putting such evaluation into policy in a systematic way (much like we did for ‘competitive neutrality’ in the late 1980s) would help us eliminate short-term, political reactions and focus on long-term outcomes.

But these ideas, while attracting approving nods, did not make it into the ‘official’ Summit reports (at least not at the time I write this). And I wonder if there is something else going on: a fear of learning? Are our policy-makers scared that they might find out just how little value certain social and economic programs add? Or the magnitude of benefit of the ones they have chosen not to fund? Is it the case that hard data on performance after the fact might never be forthcoming because there is no demand for that data? Is that the reason why so much data collected by governments is still inaccessible to independent researchers? And if all that is the case, what was something like the 2020 Summit really going to achieve?

While my angst over these fundamental questions of openness still remains after the Summit, the fact that the government did put on such an event and gather such a crowd is a positive step. That crowd, from many diverse areas, got to know each other and shared their common interest in wanting to make things better. The government did get some ideas. But, perhaps most importantly, it will be held to account by those who spent considerable energy in trying to make things better. In the relative disorganisation of the Summit agenda and process, they have formed a coalition of the ‘best, brightest and now restless’ who will not want to let things just be. It will be up to the government how it chooses to engage with that coalition.