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# Mr Colin James

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Colin James's summing up at the Knowledge Wave Leadership Forum 21 February 2003

Kevin Roberts declared on Wednesday night that "nothing is impossible". Another way I have heard that put in uplift speeches of Kevin Roberts' sort is: "If you can dream it, you can do it". Well, if that is true, right now you are looking at an All Black.

I just thought I would offer a counterfactual. I did the dreaming. I also did the hard yards as a teenager. But no more could anyone have made me an All Black than this country could invade and defeat the United States.

Nor can this conference, this leadership forum, make me a leader. I am a journalist. We listen. Others do the doing -- and some, like Kevin Roberts and Rod McGeogh and Daniel Anderson and Mike Moore, do the impossible. The journalist is not a doer. The journalist is an outsider. My job at this point is to look in from the outside at what has been going on here.

My point in the All Black story is to illustrate a tension running through this conference and this society. Kevin Roberts and Bruce Biggs and a number of other speakers have encouraged us, correctly in my view, not to allow this small, distant country to be disheartened by our disadvantages but to focus on instead on what we have going for us. But Paul Romer, equally correctly, reminded us that "volunteering", as he put it, while it might put on a spurt of economic growth, will not generate enduring high growth. We need feet-on-the-ground attention to realities -- our dreams as a country must be realisable ones and realised by good practice, not out-of-body experiences. Except in rare circumstances, rhetoric is no substitute for good practice.

Which I think is part of the reason for another tension: between this conference and the Prime Minister. Politics is the art of the possible. Politicians -- except in rare instances (1940 in Britain, 1984 here) -- follow rather than lead or lead only as far as they know in advance they will be followed. A large conference of disparate and energetic individuals -- especially one called a "leadership forum" -- might get urges to lead -- and in directions a Prime Minister might fear others will not follow.

What does that say about this conference?

It says that this is not a government conference. Sure the Prime Minister opened it and a couple of ministers have endured it and an impressive slew of departmental chief executives has been in attendance. But this is not, as some critics think, a cooption conference.

It is also not, as some other critics think, a trojan horse for free-market and tax-cutting ideologues, as I began to feel the Prime Minister suspects, from some of her comments on Wednesday and on radio this morning.

In fact, I think the people at this conference have, most of them, moved on from that old war. The 1980s and 1990s are history and I think this conference has treated them as such -- the "emerging leaders" certainly did at their all-too-brief gathering on Wednesday morning.

The 1980s and early 1990s were a time of institutional shock. Values were overturned. Organisations were remodelled. People's lives were disrupted. Their reaction to that was the 1999 election.

But the choice now is not between institutional shock and incrementalism. It is between incrementalism and assertive, even aggressive, prioritisation of the actions we as a country decide we need if we are to realise our economic, cultural, social and environmental ambitions.

That I took to be at the heart of Paul Romer's marvellously succinct presentation: markets for efficiency, with excellent road rules; good stabilisation policy; judicious government intervention to stimulate economic growth. Without growth we will not have the health care and other services we want. I don't think many in this room would disagree -- though they disagree on what should be the rules of the road and what government interventions are appropriate and they disagree on how fast we can hit that target of a top half position in the OECD for GDP per head. Helen Clark has eased up on the accelerator -- in her rhetoric. Others in this room want the foot eased down on the accelerator.

But this difference misses the point -- and this conference offers the clue to what the point is. That point is that realising ambitions requires hard choices. That need kept surfacing here and there at this conference, as it did at the first a year and a-half ago.

This is not, as the Prime Minister sometimes seems to believe people like those at this conference think, a hard choice between institutional shock and cautious incrementalism. It is a matter of many hard choices between increments across the board and clear focus on some priorities.

Mike Moore told us it is better to make hard choices in good times, to fix the roof when the sun is shining. And these are good times. As Alan Bollard pointed out, in the past 10 years we have kept pace with the OECD, even the mighty United States. The institutional shock worked. The "failed policies of the past", as the government's mantra runs, did not fail economically.

So this conference has met amid optimism. Last conference we were still uncertain about our luck and Auckland had yet to feel the dairy boom. Now we feel a lot better -- able even to sustain defeat on the water with equanimity. In 2000 it would have been calamity.

Journalists, of course, are not allowed to be optimists. So let me trail before you bunch of optimists the impending economic slowdown this year and the possibility, as Bill Emmott elegantly canvassed with us, that the Iraq adventure will go seriously wrong. He thinks there is likely to be a benign outcome: a fast war, a new stability in the Middle East and a rapid world economic rebound. I think everybody here would like to believe he is right. But we might usefully not forget he might be wrong.

And that should focus our minds on priorities. Which is what I take leadership to be about: setting priorities and seeing to their realisation.

What has this conference offered us in that respect?

Foremost in my mind is a theme that emerged from the first conference: private action -- individual, corporate and collective private action -- as well as government action or maybe in partnership with government action. Out of the last conference came dozens of initiatives for private action, some carried through on, some not. Sure, there were also suggestions for government action and some of the post-conference work fed into the government's growth and innovation framework. But the strong message from that conference -- and I think this -- is: unless it is something only the government can do, don't wait for the government to do it. And in any case, if you want to move governments, actions generate the strongest constituencies.

So if business wants change in social assistance and social services, it will most likely achieve that if it gets involved with private providers of those services. That is the importance of Dianne Robertson's work -- briefed at a session this morning -- in the Social Investors Group. That group emerged from the last conference. Businesses get alongside nonprofit organisations and contribute expertise.

What are nonprofit organisations? They are where the social entrepreneurs are. Social entrepreneurs can do things governments can't. They can break new ground. They can provide the diversity which John Graham belligerently demanded yesterday -- and which, more politely, our "emerging leaders" expect as a matter of course, having grown up in the post-factory era and therefore the era of the post-factory-state. And there are large numbers of social entrepreneurs, some of whom have done presentations at this conference. An alliance between business entrepreneurs and social entrepreneurs seems an obvious priority. And it would encourage the government in its own hesitant steps towards backing social

entrepreneurs.

Is this leftwing? Or rightwing? You tell me.

Next priority I take away from this conference: education.

Andrew West did not say much here. But I rate him the most important person in the room. His job is far bigger than Alan Bollard's at the Reserve Bank or John Whitehead's at the Treasury. Andrew West has to convert the scramble for quantity in tertiary education into a drive for quality. You heard Bill Emmott say Britain's tertiary sector has the same urgent task. More is not necessarily better, despite Paul Romer's urgings. To the contrary, there is a serious danger more may become worse unless Andrew can work some serious magic at the Tertiary Education Commission.

Fixing up teachers is a second educational theme. If you haven't read John Hattie's background paper for this conference you haven't done your duty as a delegate here. His drive for teacher assessment, which has borne fruit in this week's government's initiative, is a potential first step to a better school performance. To which Andrew West adds, find and hugely reward top principals, who are likely to find and energise top teachers. We need excellence -- and we need that 20 per cent "tail" to be switched in to the goods of this society.

A hard-choices society would be siphoning resources from elsewhere for education. A hard-choices conference would have recited the word excellence much more than I heard it here.

Next priority I take away from this conference: research and development. Here again, a hard-choices society would logically siphon resources from elsewhere to drive it harder. As Rita Colwell, Vinton Cerf and Juan Enriquez-Cabot showed us, the bus is very fast-moving and we need as many people on it as possible.

Put education and research together -- add in the creative arts we saw a little of last night -- and you get the next priority: innovation.

The conference's focus on innovation was a bit fuzzy. That's not surprising. Innovators innovate. They don't confer. But I understand an initiative is to be announced, coming out of this conference, to give some more oomph to innovation. And it won't be anything to do with No 8 wire. As Justine Munro, an "emerging leader", said on Wednesday morning, we have left that mentality behind.

Next priority: global connectedness. Chris Liddell showed us that rent-seeking activities in the protected market make the fattest profits and so attract the foreign

direct investment which in an ideal economy would go into export businesses. Paul Romer and others reminded us that economics are global. Björn Stigson has reminded us that we live now in a global environment where the actions of others affect our quality of life. Mike Moore reminded us that China will loom very large in our lives. Simon Upton made a lot of the fifth million of this population living abroad, that we should treat them as part of the New Zealand population, make them integral to the New Zealand project. Well, a start was made at the last conference here, with the KEA initiative -- and that is a private sector affair.

Simon Upton is a living example of his own prescription. Holed up in Paris, a European to his back teeth, he is a New Zealander to his boots, deeply and almost daily connected to this land and this people.

There is a subtheme here and Richard Florida alerted us to it: people go where the people are. This country is not where the people are. How do we make it that? One leg is to create a city, as Jamie Belich hinted at, which Auckland is not -- yet. Another leg is made up of lots of small activities to begin with -- our creative industries have a big role to play there and are beginning to play it. May I digress here a moment to pay a personal tribute to a hero of the film industry, John Barnet. You saw his work last night.

Next priority: resolve the balance between community and economic growth -- and, as Bjorn Stigson has just reminded us, the environment. Robert Putnam told us this morning high social capital is good for economic growth. Peter Saunders challenged us to re-examine the old assumptions on which the welfare state is founded: he suggested it is one factor in the breakdown of trust and so social capital. He asked if governments can foster social cohesion or whether it is the "little platoons" -- those social entrepreneurs again -- who do that best. Mark Latham, a front-bench Australian Labor MP, would agree (though he would add, with the government alongside).

Robert Putnam drew attention to diversity as a factor in social capital and distinguished bonding capital -- among likes -- from bridging capital -- among unlikes. In this country that must wrestle with both biculturalism -- the Treaty of Waitangi -- and multiculturalism, that is a top issue.

I shall not dwell on Treaty here because, though it infuses our national life as nothing else does, it has not been a big theme at the conference -- the Prime Minister's vision left it out. But I do want to note Simon Upton's statement that "it is absurd to deny that Maori as a result of the Treaty, enjoy a special status as a result of its undertakings" which his former colleagues in the National party might take time to study and discuss with him. And it is at this conference, in the corridor, that I first heard from a Maori whom I have greatly respected for decades, the phrase "post-Treaty" -- which I take to mean the time when it will not need to

be argued about, when all the busy-ness now in train will have settled into something like a new equilibrium.

The Treaty leads neatly to my concluding point. Again I turn to Simon Upton's brilliant paper -- billed by one enthusiast just now as the speech of this country's first president -- which invited us into nation-building, to construct a national story. That I take to be the point of leadership in the grand sense. There is, as Nicky Caro said last night, a privilege and a responsibility in that.

I shall be brief. I think the present power-elite will struggle to make the leap of imagination to define this nation. That elite, which came to its twenties in the 1960s and early 1970s, wrenched us into independence -- at first in films, novels, plays, art and music and later by that institutional shock I spoke of. That is a monumental achievement and I think Jamie Belich, for all that I am one of his enthusiastic admirers, underrated in his book and on Wednesday.

But now, it seems to me -- and I am of this generation -- it is in danger of being trapped by its memories of the institutional shock it engineered in taking us to independence. Moreover, if all economics is global, all politics is local -- and generally the voters of that generation want a quiet life now. Helen Clark is right to say big shocks are politically impracticable -- they will only lead to revolving-door governments. Leadership in government right now does need to be of the people, as she said. Priority-setting is dangerous. Nation-building is a daring enterprise. It is a terrible challenge for a generation that has already done a lot.

Ann Salmond's background paper illustrates the complexities facing this generation. She documents a society of paradoxes: fragmented even though small; highly intermarried but with sharp ethnic boundaries; egalitarian in ethos but with striking inequalities; a young society with an ageing population which is harsh on its young. A paradoxical generation is unlikely to be a nation-building one -- though it is not impossible.

But skip on a generation. The genius of this conference is to have invited in the 100-plus "emerging leaders". You "emerging leaders" think differently. You are at ease with the new. You are of the post-hyphen generation: post-Rogernomics, post-Treaty, post-independence. You have not experienced the fear of institutional shock first-hand. You are interested in the coming debates, not the debates of the 1990s.

So, if nation-building is an underlying tenor of this conference -- and I think it is -- it is to you and other "emerging leaders" we must turn. They are unencumbered, as Justine Munro put it on Wednesday morning, with a lot of the history and prejudgments, as Simon Upton put it, of the generation now in power.

I don't expect you to do this now. You are not the power-elite. But for the moment we can see your influence, as we did last night, in music and writing and the arts. But in 10 years you will begin to move into the power elite.

From what I have seen and heard of you here, that is a cause for optimism. And if this conference does nothing more than give us cause to prolong the lucky optimism of the past few years, it will have served a very important purpose. The diversity and energy here, I think, has assured that. Roll on the next conference. This is a unique institution.

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