

Review of Game of Mates: How Favours Bleed the Nation, 2017
Bill Batt, July 2017

A book now being celebrated in Australia, *The Game of Mates* by two professional economists, describes behavior we witness worldwide but rarely call by name. It's the shortcuts that are part of free market capitalism that are left unspoken in idealized models.

The authors, Cameron Murray and Paul Frijters, pull back the cover on lots of market transactions that are typically facilitated by rules government has established. The word 'game' in the title is aptly chosen too because it protects the illusion that such practices exist outside free market formal constructs, that their existence is somehow part of a world outside what we take capitalist enterprise to be. But they are in fact endemic — it is the model of free markets and economics that is flawed. The authors describe various patterns of exchange that retain an air of unreality about them, that are not part of conventional rule-governed understanding,

Equally apt is the use of the word 'mates' to describe participation in the economic games that are explored. Mate has a peculiarly Australian meaning: it connotes friends of sorts, but friends of particular kinds. As Aussies use the term, and as the authors employ it in this book, it implies confederate, collaborator, co-conspirator, accomplice, or colluder. The book describes practices that are unrecognized, covert, and often illegal. By conventional understanding of free markets, which are supposed to operate with transparency, the 'games' of 'mates' constitute cheating. But they remain undetected so long as market models overlook them. The authors refer to most of them as "grey gifts," exchanged among trusted insiders at the expense of the wider society. Using shorthand references, the authors refer to them as James and Bruce, the latter being the patsies or suckers that pay for insider abuse.

So the "games of mates" (as there are in fact several) are really conspiracies, possible only because the premises and rules of free markets are so poorly drawn. This book describes patterns that are understood in other societies and nations as "rent seeking," but nowhere in this book is the term rent or rent seeking employed. This is odd given that the authors are trained economists and Australia is among nations most versant in using the word rent.

In describing so many of the 'games' the authors portray, they do little to outline what they label the 'myths' that frame and legitimize them. Nowhere in the book are terms like classical and neoclassical economics used. 'Property' never refers to public grants of privilege — it's as if such practices are in the nature of things. And yet the book clearly evinces a tone of outrage, despite any moral framework to provide a setting. It could well have set the practices it describes in a discussion of the public good or the commons. It could have made the distinction between earned and unearned incomes, and explained excess burdens in connection with general economic productivity loss. While there is ample sense of outrage in how the James of the world cheat the Bruces, there is too little amplification of the myths that the authors rightly claim undergird,

conceal, and legitimize these behaviors.

Still, the Game of Mates: How Favours Bleed the Nation, is a good start; this book is a difficult challenge to take on. We should hope, however, that the authors' next effort sets such egregious practices in a framework that further describes the myths they speak of, and lays out a paradigm of market exchanges that incorporates the dimensions of economics that are hidden in current thinking.

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H William Batt, Ph.D.

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