

Old and New Thinking

Straw Dogs: Thoughts on Humans and Other Animals

John Gray
London, Granta, 2002, 246pp,
£12.99, ISBN 1 86207 512 3

GRAY's *Straw Dogs* is an interesting but annoying book. The title is taken from the Taoist, Lao Tzu: 'Heaven and earth are ruthless, and treat the myriad creatures as straw dogs'. Straw dogs, in turn, are explained by Gray as follows: 'In ancient Chinese rituals, straw dogs were used as offerings to the gods. During the ritual they were treated with utmost reverence. When it was over and they were no longer needed they were trampled on and tossed aside' (pp. 33-4).

Gray's book is an essay against human hubris and pretension. He stresses the extent to which we differ little from animals, downplaying the role that is or can be played by reason and by distinctively human consciousness. He is critical of aspirations to salvation or transcendence of any kind, religious or secular, and of the ideal of progress. The book concludes: 'Other animals do not need a purpose in life. A contradiction to itself, the human animal cannot do without one. Can we not think of

the aim of life as being simply to see.'

More specifically, Gray is enamoured of Schopenhauer's pessimism and of Lovelock's 'Gaia' hypothesis, and he is worried about human overpopulation and its consequences; he favours a Humean-cum-Buddhist dissolution of the self, and argues that consciousness plays only the most minimal of roles in relation to our knowledge. He is critical of philosophers for not taking their supposed commitment to truth seriously, but also of the idea that truth will make us free or happy. He is a critic of morality and of any monism of virtue; of monotheism—and of atheism, leaving us with the impression that moral pluralism and polytheism were better options, but ones which may not now be available to us. While he admits to the advantages of anaesthetic dentistry, clean water and flush toilets, he is sceptical about progress—not just of ideas about its inevitability, or that, with Fukuyama, we can expect a triumph of democratic capitalism, or of secularisation, but as to whether what people had taken to be progress is itself either achievable or worthwhile. He flirts with J. G. Ballard's grim pictures of vast

numbers of people needing ever more titillating entertainment—even though he admits that a life of leisure has not yet shown any sign of re-emerging. (Gray stresses the attractiveness, and the comparative leisure, of societies of hunter-gatherers.)

The book is written in short sections, and it is very readable. Rather than notes, Gray provides guides to reading that include but go well beyond his sources for specific information in the text. The material upon which he draws is fascinating and wide-ranging, and the impression that the book conveys is somewhere between listening to good dinner conversation and reading Isaiah Berlin. Its combination of readability and questioning of accepted opinion will lead me to make use of it in first-year philosophy teaching.

Why, then, is the book annoying? In part, it is because Gray plays the role of the guru: there are too many oracular pronouncements and statements made for effect. In part, it is because of what seems to me a fault in the strategy of the book. Gray has interesting things to say, but he weakens the strength of his argument (if not its drama), by taking as his target immoderate—

and therefore vulnerable—versions of the ideas to which he is opposed. One may, for example, take the view that human reason is largely reflective in its character, that it typically plays a critical rather than a constitutive role, and also that our hopes for improving things (and one can, surely, think of more that is open to improvement than dentistry and plumbing) are best made by way of piecemeal experimentation.

More seriously, Gray's argument sometimes seems to me poor. He often seeks to settle an issue with a neat turn of phrase, or offers quick dismissals of views that would have to be engaged with much more carefully if they were to be criticised effectively. Above all, what really

annoyed me was his attitude towards science. Of this as an attempt to discover truth he is critical; but at the same time he has no hesitation about drawing upon its specific findings when they seem to bolster the ideas that he favours. And when they don't—well, scientific criticism is disregarded. Gray writes: 'Critics of

Gaia theory say they reject it because it is unscientific. The truth is they fear and hate it because it means that humans can never be other than straw dogs.' Clearly, a theory may be worthwhile even if it is not scientific. But one wonders whether Gray has any grounds for accepting this one, other than that it fits his pessimistic vision that we are but straw dogs.

But what, you might wonder, of Gray? For this is, indeed, the same man who wrote *Hayek on Liberty*, and was one of the most acute

contemporary theorists of classical liberalism. Briefly, Gray was always a complex thinker, who, even while he embraced liberalism, was personally pessimistic, and had an attachment to aspects of traditional life and popular culture of a kind that may be undermined within a liberal market economy. Intellectually, he progressed through different justifications of liberalism, rejecting them in turn after he had embraced them, but was left impressed by Berlin's value pluralism, Oakshott, and—for a long while—Hayek's arguments about markets and information. Intellectually, Gray shifted from liberalism to an espousal of conservatism and certain ecological

themes. He favoured a pluralism of traditions, and wrote *False Dawn* against market-based globalisation. Politically, he abandoned the British Conservatives (whom he thought intractably wedded to market liberalism) for Labour, because he believed that they could better safeguard tradition. Alas for Gray, Labour was itself

changing into market-oriented New Labour. After a short period when Gray fancied himself as one of Tony Blair's 'gurus' of the 'third way', and a flirting with 'new' or 'welfare' liberalism, his underlying pessimism seems to have won out, as is seen in the present book. Gray, however, is still a fairly young man. One can only wonder what will come next.

Reviewed by Jeremy Shearmur

Copy Fights: The Future of Intellectual Property in the Information Age

Edited by Adam Thierer and Clyde Wayne Crews Jr

2002, Cato Institute, 295pp
US\$19.95, ISBN 1930865252

THERE are a number of past and upcoming developments which will enhance the topicality of intellectual property rights in Australian public discourse.

Firstly is the recent Eldred decision of the US Supreme Court which revolved around a challenge to the constitutionality of the Copyright Term Extension Act (CTEA). The CTEA elicited opposition from prominent economists across the political spectrum from Kenneth Arrow to Milton Friedman because the incentive effects of copyright term extension to existing (and deceased) creators were infinitesimal relative to the additional costs to consumers and future creators wanting to build on earlier works. However, the Supreme Court decided that irrespective of its merits or lack thereof, overturning the CTEA would have involved the Court too much in the minutiae of policy. In essence Eldred means the US Congress has carte blanche to extend copyright terms indefinitely.

Secondly are the ongoing negotiations between US and Australia on a possible Free Trade Agreement (FTA), which may involve some degree of regulatory harmonisation between the two jurisdictions. Given US proclivities to export its model of strong copyright protection to other jurisdictions (as evidenced by its discussions with Taiwan over a similar free trade agreement) this is a hazard that Australian negotiators should take account of given the



confirmation by Eldred of the US copyright lobby's new found strength.

Thirdly, the Federal Government is expected to conduct a review this year of the *Copyright Amendment (Digital Agenda) Act 2000* (DAA) which is essentially Australia's response to the challenge of enforcing copyright in the digital world. This will create further opportunities to tinker with Australian copyright law not already present from the FTA negotiations.

In light of all these developments, *Copy Fights* is a timely collection of essays on the challenges raised by intellectual property with particular reference to the opportunities for the dilution of its protections created by digital technology. The collection is an extremely balanced one which seeks to give roughly equal representation to all points of views, but for this same reason the essays are of mixed quality. There is a substantive section



devoted to the theoretical basis of intellectual property rights, one on updating copyright law for the digital age, a section devoted to the Digital Millennium Copyright Act (the provisions prohibiting the circumvention of technological devices encrypting or otherwise protecting copyright works in Australia's DAA are essentially a 'milder' version of the DMCA); a short section on digital rights management (which has been heralded by some market-oriented thinkers as a contractual 'laissez-faire' solution to the struggles over copyright) and another short section on business method patents.

While each section has at least one good and substantive essay, I have a few quibbles.

Although the theory section is excellent in the philosophy department (in particular the essay by Tom Palmer is outstanding though I fundamentally disagree with its conclusions), it lacks a technically sophisticated but accessible discussion of the fundamental economics of intellectual property upfront (though there is an excellent piece by Stan Liebowitz later in the collection on the economics of digital rights management which

has a good wrap-up of some of this). I note this not merely out of professional self-interest but because when one gets to the actual nuts and bolts of discussion of copyright policy, it is frequently conducted in the utilitarian discourse of economics, so that introducing this box of tools early would be helpful to

the non-economist reader to aid his or her critical examination of the occasionally (and understandably) over-hyped claims of the some of the activists from one lobby or another who have been thrown together among the legal and other scholars in this eclectic collection.

Another minor complaint is the section on business patents. This is a genuinely interesting area which would also have merited a good contribution from a theoretical perspective or one summarising the public policy literature on the issue in addition to the perspectives of the practitioners provided in that section.

The general dilemma being addressed in the book can be summarised as follows:

The non-rivalrous nature of intellectual property means that there is no natural scarcity attaching to it ex post; that is, after it has been produced. The expressions which would be subject to copyright protection can, in its absence, be 'used' by other writers simultaneously in the way that physical objects cannot. It is argued that this lack of scarcity ex post prevents authors from getting adequate returns from their efforts in the absence of specific laws which allow them to set terms and conditions on the use of their works and in particular, its reproduction in other works. Thus all intellectual property in essence involves the creation of artificial scarcity—the law assigns to the author the power, subject to certain qualifications, to dictate the conditions of dissemination of the intellectual property produced. Of course, this creation of an artificial scarcity also creates what economists refer to as allocative and productive inefficiencies. Costs are higher than they could have been and some of these costs consist of resources diverted from other valuable uses.

At the same time, this tradeoff between 'access' and 'incentives' is more complex than the dichotomy suggests because future works may build on earlier works so that the very same artificial scarcity which is meant to facilitate appropriate rewards and hence incentives for current creators also increases the 'input costs' of new creators. Yet another complication is that the longer the copyright term, the more costly the process of establishing claims to ownership (whether for purposes of litigation or to create

new works from older works) will be. Throw into these complications the gigantic 'copying machine' possibilities of the internet, the equally powerful possibilities for improved 'digital locks' through rights management software and the additional issues raised by the economics of 'shrink wrap' contracts over cyberspace and one can begin to understand the truth of Hayek's argument that:

As far as the great field of the law of property and contract are concerned . . . we must above all beware of the errors that the formulas 'private property' and 'freedom of contract' solve our problems . . . Our problems begin when we ask what ought to be the content of property rights, what contracts should be enforceable, and how contracts should be interpreted.

Needless to say, this anthology doesn't solve any of these problems and one wouldn't expect it to, but it does make a noteworthy contribution to the discussions yet to come.

Reviewed by Jason Soon

Digital Divide: Civic Engagement, Information Poverty, and the Internet Worldwide

Pippa Norris

Cambridge University Press,
2001, 303pp, \$49.95,
ISBN 052 100 2230

THE NOTION that some people have less access to the internet than others is almost always guaranteed to cause concern amongst those for whom equality of access to any

resource is a priority. Even those who are generally sympathetic towards letting markets, rather than governments, decide on the allocation of manufactured resources often express sympathy for reducing the gap between the digital haves and have-nots.

Pippa Norris, of Harvard University, has authored a well-written and surprisingly easy-to-read book, unlike many academic texts, on the subject of the 'digital divide'. Norris begins by setting out the different diffusion theory arguments. Namely, how will new technology spread within societies? Will technology be a 'leveller' or will it merely reinforce existing social and economic divides?

Norris then, through significant empirical studies, examines the divide within nation-states and among nation-states before going onto discuss the effects of digital takeup by governments, political activists and the use of digital technology by the general public as a means of political and social discourse and activity.

Norris' findings are, on one level, not surprising. The internet, like most new technologies of their day (such as the telephone, radio and television), has initially been the preserve of those who can afford such luxuries. However, diffusion of new technologies over time has become quicker, at least among wealthier countries.

Norris' book, *Digital Divide, Civic Engagement, Information Poverty, and the Internet Worldwide* tends to focus on the gap between nation-states and reaches the view that serious gaps between the

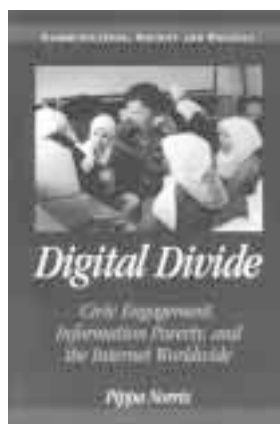
richest and poorest nation-states remain and are unlikely to narrow in the medium-term. Norris seems to sympathise with those who see this information gap as being a bar to development of poorer countries. After all, since so much information is found on, and commerce takes place via, online-communications systems, those without access will find themselves excluded from

the brave new digital world of education, commerce and civic participation.

One of the problems in this otherwise excellent 'state-of-play' text is that Norris is a little too uncritical of the popular 'the information gap exacerbates poverty' argument. She seems to agree with James

Wolfensohn of the World Bank, who she quotes as saying 'The digital divide is one of the greatest impediments to [economic] development.' This view, which Norris does not challenge, is an exaggeration.

The lack of digital resources in poorer countries is a symptom of lack of infrastructure, poverty and general underdevelopment caused by corrupt governments and bad economic and regulatory policies. In many of these countries, the key to development is government reform of basket-case economies, reduction of corruption, implementation of transparent pricing regimes and the removal of barriers to foreign investment. Without these reforms, communications infrastructure, along with other basic building blocks of a comfortable society, such as electricity, gas and water grids are unlikely ever to be built and maintained for any significant



length of time. But given that even some of the world's least democratic regimes and nastiest one-party states have websites, what role does the internet play within vastly different political systems?

Norris has undertaken a thorough scoping study of parliaments, governments and political party and movement websites worldwide. As expected, democratic governments tend to have a greater quantity and quality of sites. The Australian Parliament's website is singled out for special mention as a site of excellence. As many in the legal community will vouch, it is often easier to source free comprehensive consolidated Australian legislation than it is for many European countries (including the UK for example). This has even led to complaints by Australian governments that Australian lawyers are amongst the heaviest uses of Government legal websites, but contribute little financially to their upkeep.

The author also surveys political parties on the web. Interestingly, she focuses more on the internet's effect on party-electorate relations (while politics in a general sense is a key interest for many internet users, it is mainly political activists who make use of political party and extra-parliamentary, such as anti-globalisation, political sites). The key informational role of political institutions online (such as websites and email notification lists) has been to inform, not so much the general electorate directly, but rather indirectly via the press—the traditional communicators of political information from the executive and legislature to the public.

Not surprisingly, another of Norris's findings is that well-established parties are less likely to

use the internet for internal political organisation, than are extra-parliamentary political movements—particularly as the latter often tend to be a loose affiliation of fringe groups with no formal leadership structures.

Norris also briefly examines the political attitudes of those who are online. While admittedly she says that comprehensive conclusions are hard to draw given the lack of international correlative studies on internet use and political opinions, existing research does tend to show a particular 'cyber-culture' amongst US internet users.

Libertarians and classical liberals will take heart. American cyber-culture is secular rather than religious and favours laissez-faire approaches to social and economic regulation rather than state intervention. According to research by the Pew Centre, examined by Norris, there is a small, but discernable bias of US internet users towards favouring the Republican Party over the Democrats. While the GOP is a broad church, it is generally perceived to be the party of free enterprise and limited government.

While there are plenty examples of extremist groups using the internet for their fringe activities, it is heartening to see that limited studies show that there is at least a small correlation between internet use and laissez-faire small-government values. The big question is whether this trend will extend to developing countries and assorted authoritarian states where it is more difficult to take accurate opinion polls?

So how useful is the internet in promoting and extending democratic participation, apart from permitting the emailing of politicians and payment of parking fines online? Norris outlines the main competing theories between the cyber-optimists, who see the Internet as a vehicle for mobilisation, facilitating political

and social activism, and the cyber-pessimists who view the online world as merely another medium for entrenching existing attitudes and power differentials.

While it is true that to express an online opinion you first need online access, the 'instant publishing house', that is the internet, has sufficiently concerned authoritarian regimes to move them to filter and block websites and extend punitive sanctions against those who express dissent using any online medium. However, even the harshest regime cannot hope to block all websites all of the time, which will mean that some dissenting discourse will inevitably get through.

This is not to say, that the online population in fragile quasi-democracies, military dictatorships, and one-party states will be any more interested in online political activity or information than the rest of us. Visiting political and government websites ranks relatively low on surveys of online activity cited by Norris. But then these surveys don't seem to have asked questions of respondents as to whether they engaged in activities which consistently account for very high levels of internet network traffic, namely downloading pornography and pirated music files, often via file-sharing programmes such as *Napster*—which is precisely the programme Norris and her research assistants forgot to close before they took the screenshots subsequently printed on page 178 of their book.

Reviewed by Andre Stein

**Australia's Welfare Wars:
The Players, the Politics
and the Ideologies**

By Philip Mendes

University of New South Wales Press,
2003, 219 pp,
\$39.95, ISBN 0 86840 485 3

DR PHILIP Mendes is a Senior Lecturer in 'Social Policy and Community Development' at Monash University. The blurb on the book jacket tells us he has been a 'social work and social policy practitioner and educator for 15 years' and that he has 'published widely' in welfare lobby groups' journals.

In this book, Dr Mendes argues that classical liberal ideas (or what he calls 'neoliberalism') have come to dominate the social policy agenda in Australia in the last 30 years, and that this reflects the financial clout and political cunning of those who have been espousing them. The task is therefore to organise the left—the churches, the trade unions, the social workers, ACOSS, the ALP and sympathetic journalists—to fight back in order to mobilise public opinion in support of raising taxes, increasing government intervention and rebuilding the welfare state.

In his preface, Mendes claims that his book 'is intended to be a critique and expose of the neoliberal ideas currently dominating welfare debates' (p.viii), but in reality, he offers no serious critique of the ideas themselves. Hayek and Friedman get just one paragraph each, for example, and they are swiftly despatched along with Adam Smith on the grounds that they all apparently believe 'in the perfectability of the market' (p.35).

Mendes is clearly not interested in engaging intellectually with liberal ideas. His starting point

appears to be that these ideas have little or no intellectual merit or moral probity, so there is no point wasting time discussing them. His interest lies rather in the politics behind the ideas—in 'neoliberalism' as a political *ideology*.

As is common in books like this, the text is littered with references to 'fairness' and 'social justice' (values which are contrasted with the 'harshness' of 'neoliberalism'), but Mendes never once takes the trouble to define or reflect upon these terms. He simply takes it as read that high taxation and radical egalitarian measures are 'fair' and 'just' while allowing people to enjoy the fruits of their own labour and encouraging them to show initiative and personal responsibility is not. Given this starting point, it then follows that 'neoliberals' must be in bad faith, for if their ideas are self-evidently wrong and immoral, it has to be that they continue to profess these ideas out of some dark and ulterior motives.

This logic is, of course, depressingly familiar. Although Mendes never acknowledges it, we are back into a crude and simple version of Marxist materialism in which ideas are merely the ideological expression of conflicting economic class interests. As Mendes himself explains: 'Neoliberalism's real agenda [is] to redistribute income from the poorest to the most affluent' (p.47). The ideas themselves are therefore just a smokescreen designed to justify an inherently immoral attack by wealthy people upon poor ones.

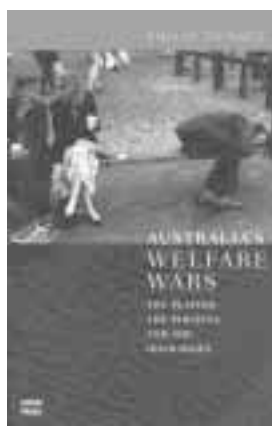
Having established this, the rest of the argument is entirely

predictable. All that remains is to identify which class is funding the promulgation of these ideas (big business, of course!) and who is being used as the instruments of this ideological class war (step forward the Murdoch/Packer press, the radio talk-show hosts, and the 'neo-liberal' think-tanks).

Mendes tells his readers that an 'international conglomerate of neoliberal think-tanks generously funded by corporate resources' (p.34) has, over the last 30 years, achieved 'hegemony over the political agendas of both Labor and conservative governments' and has thereby 'succeeded in moving the whole policy debate to the right' (p.35). Unlike 'genuinely academic or scholarly institutions'

(such as the Monash Department of Social Work, presumably), these think-tanks are 'motivated by political and ideological bias' (p.37), but they succeed in spreading their message because their shadowy big business backers have deep pockets. 'The CIS', for example, 'enjoys an annual income of approximately \$1.6 million including substantial corporate donations', and all the 'neo-liberal' think-tanks together share an annual combined income as high as \$5 million (p.37).

One obvious response to all this hyperbolic hysteria is to question how far classical liberal ideas really have taken root in Canberra. The Howard government, for example, is currently taking a higher proportion of the country's GDP in taxes than any other government in Australian history, and its progress on welfare reform since setting up the McClure Inquiry in 1999 looks



more and more like political prevarication than any serious attempt to reduce record levels of welfare dependency. If this is a 'neoliberal' victory, then one wonders what a defeat would look like.

We should also question Mendes's analysis of the balance of ideological power in this so-called 'welfare war'. Even if his figures about levels of funding were correct (which they are not—the CIS budget in the last financial year was closer to \$1.3 than \$1.6 million), and even if most of this money came from big business corporations (which it does not—individual donations and grants from foundations both outweigh corporate donations to CIS), is Mendes seriously suggesting that a total of 4 or 5 million dollars a year spread among a handful of think-tanks is enough to buy a fundamental switch in ideological allegiance of both major political parties and the bulk of their supporters and to maintain it for nigh-on three decades? Isn't it more likely that all these people have been swayed by the content of the ideas than by the rustling of dollar bills?

The reality is that organisations like CIS are constantly constrained in what they can do by very tight budgets. If they manage to punch above their weight, it is not because they have powerful backers, but because they have powerful ideas and strong evidence to back them up. The think-tanks do not buy influence; they earn it.

And what about the ideological opponents of liberalism? Mendes devotes a whole chapter to ACOSS, which appears to have about the same income as CIS (although in its case, around 40% comes from taxpayers), but this is only an umbrella organisation beneath

which shelter a plethora of other agencies, many of which also boast their own well-resourced 'research departments.' Other chapters go on to discuss the social work profession, the trade unions and the churches, nearly all of which also line up to form part of what is clearly a substantial and well-resourced 'army' in this 'war' against 'neoliberalism'. If deep pockets were the key to victory, the liberal think-tanks would never have got to first base up against this lot.

And what about the biggest 'ideological battlers' of all—the academic establishment? In a telling oversight, Mendes has absolutely nothing to say about the avalanche of books, journal articles, conference papers and newspaper columns turned out every year in defence of collectivism and statism by hundreds of tax-funded academics across dozens of university departments and research institutes in Australia, most of whom think and write much like he does.

Mendes has nothing to say about the millions of taxpayer dollars that go to fund this intellectual establishment as it churns out its critical treatises (the Social Policy Research Centre alone got \$2.3 million of public money in 2000, for example, and it is just the tip of a huge welfarist ideological iceberg floating around in the academic ocean). Nor, indeed, does he reflect on the extraordinary influence that all these left-leaning academics can exert on future generations of leaders and opinion-formers as they pass through their lecture halls and seminar rooms as students. He should go and re-read his Gramsci.

Set against all this, a few think-tanks look like a very puny base for an ideological war. Mendes claims that: 'The principal free market lobby groups enjoy generous

funding. In contrast, supporters of the welfare state have generally failed to create or adequately fund similar structures' (p.48). But they have not had to—the State has done it for them, in almost every sociology and social policy department in the country.

This brings me to my final point. What is perhaps most disturbing about this book is that it has been written and published as a *textbook* aimed, presumably, at an undergraduate market. It even comes complete with questions and exercises at the end of each chapter ('Consider some of the means by which trade unions and/or ACOSS could seek to mobilise the unemployed'; 'What are some of the ways in which the business sector influences the level of welfare spending?'—you get the idea).

Now, call me old-fashioned, but shouldn't a student textbook at least *try* to provide its readers with a balanced and impartial guide to the issues it addresses? Is it really appropriate for a student textbook to adopt a deliberately and self-consciously polemical stance as this one does?

Mendes tells us proudly at the outset where he stands: 'This book is written from a social democratic perspective', (as if any book written by a Monash social work lecturer and published by the UNSW Press was likely to be anything else). And he goes on to explain: 'By social democratic, I mean a commitment to substantial government intervention in the economy and a wide-ranging welfare state' (p.4).

It is, I think, deeply disturbing that intellectual standards in our leading universities appear to have declined to such a point that one-eyed, simplistic and explicitly polemical books like this can be written by senior lecturers,

published by a University Press, and then get to masquerade as *textbooks* which will presumably get adopted as set texts for students to read, digest and repeat in essays and examinations.

Mendes is right—there is an ideological war to be fought, but the key objective in that war should be to reclaim higher education from the ideologues who long ago colonised it.

Reviewed by Peter Saunders

The Ordinary Business of Life: A History of Economics from the Ancient World to the Twenty-First Century

Roger Backhouse

Princeton University Press: Princeton, NJ, 2002, 368pp, US\$35.00
ISBN 0691096260

ROGER Backhouse has written a history of economics that is sweeping in its historical scope, while also being extremely concise. These two objectives are in obvious conflict, but Backhouse strikes an acceptable balance that makes this book a commendable introduction to the historical context of modern economics.

Perhaps the main value of the book is to dispel the widely held notion that economics is some late-20th century theoretical scourge divorced from practical relevance. Backhouse shows how economics has for the most part emerged as a direct response to the demand for practical solutions to contemporary problems of private and public choice. This is perhaps most obvious in the case of the early development of supply and demand analysis and welfare economics on the part of the

engineers of 18th and 19th century France, which sought to address questions such as the public benefits associated with building a particular bridge or road.

Backhouse also documents the close relationship between economics and movements for reform and social change. The early 18th century critique of mercantilism became part of a comprehensive critique of the absolutist state, and it was by no means coincidental that the doctrine of laissez-faire emerged in France on the eve of the French Revolution (p.109). Likewise, the British Philosophic Radicals 'were actively engaged in politics, using utilitarianism as the basis for criticizing the institutions of society and advocating policies of reform' (p.137). Of the classical political economy period, Backhouse concludes:

it is a fairly safe generalization to say that they were in general pragmatic reformers. Like Smith, they opposed mercantilism. In so far as there was an ideological dimension to this, it stemmed from opposition to the corruption associated with mercantilism rather than any commitment to non-intervention (p. 148).

Economics came to enjoy a close relationship with government for much of the 20th century, although often with unhappy consequences. Towards the end of the century, economics once again was at the forefront of reform as economists came to be increasingly troubled by the consequences of some of their former policy prescriptions. Much of this new economic thinking has

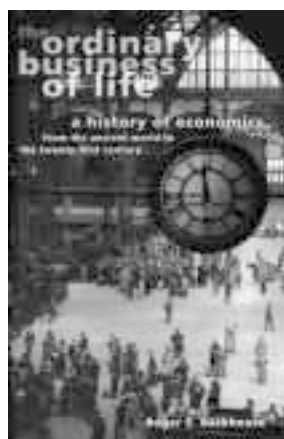
again been assimilated by governments around the world, but by no means in all its implications.

Of all the economists examined by Backhouse, Marx emerges as the most reductionist and deterministic in his claim that economic forces completely dominate society and the course of history. The examination of Marx's

economic thought belies his reputation as principally either a philosopher or sociologist. If anyone deserves the label 'economic rationalist,' it is surely Marx. Backhouse highlights an important unintended consequence of Marxist thought. The diaspora of European intellectuals fleeing first the

Russian Revolution and then Nazism was to make an enormous contribution to the development of economic thought in the Anglo-American world, as in so many other disciplines. While it is common to hear complaints about the 'Americanisation' of economics, Backhouse makes clear that 'the ideas on which the current consensus is based have significant European roots' (p.307). But it was only in the Anglo-American world that these ideas could flourish.

The uneasy relationship between economists and other intellectuals is well documented. Jonathan Swift's satirical *A Modest Proposal* was inspired by William Petty's pioneering work in national accounting (p.71). The discipline has even come to satirise itself, such as Alan Blinder's parody of Gary Becker's work in 'The Economics of Brushing Teeth' (p.311). It was Thomas Carlyle who coined the



phrase 'the Dismal Science' during the high point of classical political economy in the nineteenth century, when 'the term "economist" came to denote someone with an identifiable approach to politics and a congenitally hard heart' (p.135).

Brevity is both a strength and weakness of this book. Entire schools of economic thought are dispatched in little more than two pages. This is not the place to go for a detailed treatment of any one school of thought. But it does serve to place these ideas within their historical context and bring out some of the relationships between contending approaches.

Brevity also leaves Backhouse with little room for his own interpretative interventions. Some of those that do find their way into the book are wide of the mark. For example, in discussing the transitional economies of post-communist Eastern Europe, he claims that economists failed to appreciate 'the importance to any capitalist system of a secure framework of law, morality and property rights'. This would come as a big surprise to many of the reformers involved. But it is even more surprising to hear him claim that the socialist-calculation debate 'missed this point entirely' (p.287). One could hardly claim that Mises or Hayek missed the significance of these issues.

Backhouse also has some mistaken views about the significance of private funding to the post-war development of economics in the classical liberal tradition. He speculates that 'the fact that the two most influential public-choice theorists, Buchanan and Tullock, were to the right of the political spectrum may have helped them obtain funding more easily than might otherwise have been the case'

(p.312). Similarly, he suggests that the Austrian school 'had considerable success in raising private funds' (p.316). I think Backhouse seeks to diminish economics in the classical liberal tradition by implying that its success owes more to private funding than the strength and relevance of the ideas themselves. Whatever sources of private funding these schools of thought have secured is tiny in comparison to the enormous sums of private and public money lavished on bastions of Keynesian economics such as Harvard, MIT and Yale. If alternative schools of economic thought have appeared overly reliant on private funds, this reflects their lack of access to more traditional sources of institutional funding. If anything, the funding available to economists working in the classical liberal tradition would have held them back compared to their colleagues working in other traditions. This is what makes the post-war revival of economics in the classical liberal tradition all the more remarkable. It is perhaps just as well then that the broad historical sweep of his book leaves Backhouse with little room to entertain some of his more questionable speculations.

Reviewed by Stephen Kirchner

***Recreating Asia:
Visions for a New Century***

Frank-Jürgen Richter and
Pamela C.M. Mar

Singapore, John Wiley (Asia)

2002, 310 pp, \$29.95

ISBN 0 470 82085 3

RECREATING Asia is a product of the World Economic Forum (WEF), the Geneva-based organisation with the somewhat immodest mission statement 'to improve the state of the world'. It is well known for organising talkfests of political and big business leaders in Davos and elsewhere, for publishing the respected annual *Global Competitiveness Reports* that compare business conditions in some 60 jurisdictions, and for even surpassing McDonalds in attracting noisy anti-globalisers. It is not quite clear by what criteria the 'improvement' of the world is to be measured, but the WEF's own viewpoint seems predominantly soft-collectivist/continental-European, mildly Green and centred on the interests of big corporations and governments.

Talkfests of the high and mighty, whom the WEF assembles periodically, of course come under Adam Smith's famous suspicion that 'people of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public'. A partial protection against such dangers of high-level networking is to publish the statements of the leading speakers.

The book under review does just that. It contains a collection of brief statements by 35 political and business leaders to the WEF's Tenth East Asia Summit held in 2001. The various speakers share fresh memories of the sobering events of 1997 throughout much of East Asia and focus often on how various countries

have been trying to recover. As well, many contributors reflect on how to cope with the Muslim terrorist threat and irate American reactions to it.

Four broad areas are canvassed: (a) Globalisation and American world leadership are re-assessed and generally approved as the only way forward. (b) Business strategies are explored. Set models—such as the Anglo-Saxon management model, the Japanese *kaizen* model, or Chinese patriarchy—seem out of favour, and pragmatic diversity is in, as many of the interesting, and self-promoting, case studies in the book demonstrate. [c] Corporate governance is seen as a critical new topic. But there is—unsurprisingly for such a club—a lot of belief in virtuous officials and the need for business and government leaders to cooperate. There is too little understanding of the central role of clear, reliably enforced rules. Some are optimistic that the traditional crony capitalism is being reformed, others, such as Tunku Abdul Aziz of *Transparency International*, see an arduous, accident-prone road ahead—in my opinion correctly so. [d] Finally, regional cooperation through an alphabet soup of new or proposed organisations is explored. The stress is on top-down coordination rather than organic market integration from below. This merits a good dose of scepticism about inflicting EU-style organisations or regional monetary funds on the diverse evolving polities of east Asia.

Many of the articles demonstrate to what degree most leaders are still struggling with the new, fluid world situation and how insecure most of them sound. This is not a bad thing in a situation of epochal change. The easy era of East Asian growth and integration into the world economy, when low labour and tax costs drove industrial growth, is at

an end for most. The hard task of developing non-corrupt, globally competitive institutions, which reduce the costs of transacting business in East Asia, is being tackled somewhat reluctantly by most of the powerful and established leaders, the rhetoric in this volume notwithstanding. Neither is it a bad thing that most contributors sounded rather confident about the capacity of East Asians to prosper and govern themselves better, whatever the future may hold.

Some leaders seem to be in denial, most notably Malaysia's 77-year-old Prime Minister Mahathir bin Mohamad. The Old Recalcitrant argues for 'selective and strategic integration' with the global economy and a reform of international organisations which, to his mind, are manipulated by the rich West. The Hayekian idea that rulers might not have the perfect knowledge to be 'selective and strategic' during the complex processes of development and global integration certainly never enters his mind. Nor is there any appreciation of the fact that the opening of American and European markets to the emerging East Asian suppliers—partly to 'proof' East Asian societies during the Cold War against socialism—has benefited Malaysians and so many other east Asians enormously. Other leaders show much more awareness of these historic facts and suffer none of Mahatir's dependency hang-ups.

One recurrent theme in the book is the historic, gradual integration of China into political and economic networks of east Asia. The revolutionary exceptionalism of the Mao era has long given way to a China that is more of an equal partner, though a very big and influential one. As Lee Kuan Yew

pointed out in his *Preface*, the new China has become more of a partner to the Northeast Asian economies, which can compete better in world markets thanks to low-cost inputs made in China. By contrast, it now is more of a low-cost competitor to Southeast Asia in export markets and markets for internationally mobile capital and knowledge. Various contributions by senior Chinese officials certainly signal the willingness to be cooperative and constructive in the East Asian region.

There are a few non-Asian contributions, which reflect a soft-capitalist worldview.

However, there are no American or radical-liberal contributions. British Columbia's Premier, Gordon Campbell, injected a rare reminder of reformist liberalism when he told the audience that he was reducing personal income taxes by 15% and was committed 'to reduce the hidden tax of unnecessary government regulation by one-third' (p.15). One only wished that John Howard's polite one-page *Preface* had contained similarly refreshing thoughts.

The problem of Islamist aggression is tackled repeatedly, but, in 2001, it seemed still rather tangential to most of the east Asian leaders who spoke. Often, unpredictable aggressive American reactions seem of more concern to Asians, probably justifiably so. One noteworthy contribution that deals with Islam explicitly and insightfully is the speech by Malaysian Youth and Sports Minister Hishamuddin Tun Hussein, who firmly condemns the Muslim terrorists and demonstrates



that Malaysian Islam is open to cross-cultural communication and modernisation; indeed that Malaysia's multicultural society demonstrates an attractive and feasible way forward. Another Malaysian contributor, Karim Raslan, says that the 'Middle east can no longer lay claim to leadership of the Muslim world . . . [given] the Arab world's moral, spiritual and socio-economic bankruptcy . . . Proponents of Wahabism . . . have done their utmost to promote their interpretations at the expense of regional cultures' (pp. 34-35).

Although, in the meantime, Southeast Asian fundamentalist Muslims have become mass murderers in Bali and Malaysia has been found to harbour terrorist enemies of Western liberal values, I agree that we should look at Malaysia and Indonesia to study a more attractive face of modern Islam and to develop Western strategies which help the modernisers and reformers. Europeans and Americans are much more likely to focus on Arab Islam than we do and are then seduced either into belligerent antagonism, such as Oriana Fallaci's new temperamental book *Rage and Pride*, or into politically correct pacifist cowardice. Neither posture looks promising. The West—and in particular Australia, which is a borderline state to Muslim Southeast Asia—is better served by understanding the modernisers and reformers of Islam who work in our region. Raslan's article presents an excellent starting point for us when setting out on the road of supporting reform, while at the same time standing up for the values that have served us so well and may inspire Muslim reformers.

Overall, the book at times strikes someone with a paleo-liberal world view with scepticism about the leaders'

and the WEF's naive belief in top-down collective action. As the title already indicates—'recreating' a huge, diverse entity called 'Asia'—there is too much trust in the wisdom of the leaders, proactive strategies, and collaboration between government and business, and too little stress on open competition, individualism and dissent, as well as arms-length governance. Having said this, the book contains a great diversity of worthwhile insights and questions. It documents that problems are being taken seriously and analysed intelligently. Alas, these are interesting times. Nevertheless, one gains the impression that the leaders whom WEF has assembled at least realise that they are facing unprecedented challenges.

Let me conclude with a probably futile wish. I hope that these essays are read by the street protesters against globalisation and capitalism, which WEF represents to them. That would enable them—or at least those who finance and manipulate them and their sympathisers—to make a constructive contribution to prosperity, peace and security for all.

Reviewed by Wolfgang Kasper

The Blank Slate: The Modern Denial of Human Nature

Steven Pinker

Viking Penguin, 2002, 509pp,
\$29.95, ISBN 0 670 03151 8

POLITICS and genetics have an unfortunate history. The Nazis' extermination of Jews and others deemed tainted by undesirable characteristics gave genetic 'improvement' a very bad name, and the pre-World War II interest in eugenics vanished from respectable

intellectual life. The idea that races differ in ways other than physical appearance remains one of the hottest of intellectual hot potatoes, as the mid-1990s controversy over Richard Herrnstein and Charles Murray's *The Bell Curve* showed. While less explosive than racial differences, the belief that the sexes vary in more than just their bodies still gets at least men into trouble.

Steven Pinker's *The Blank Slate* is a very wide-ranging look at the science of human nature, what's genetic and what's not, and the social and political implications of this research. It's intended to calm some of the concerns people have about the findings of genetic research, by pointing out that some previous beliefs about genetics were wrong or misuses (the Nazis, for example), that the research does not have the negative moral or political implications some fear, but that it can tell us useful things about what social patterns are likely and what political arrangements are feasible.

Pinker provides evidence and arguments relevant to pacifying critics of genetic explanations of human behaviour and culture, though whether they are likely to do so is another matter, for reasons I will explain.

He points out that while there are genetic differences between races, they have much in common, including body and brain structure and universals of behaviour and beliefs. An appendix lists dozens of these universals. Wider genetic variation occurs within racial groups than between them, so individual discrimination based on average group characteristics cannot be justified on genetic grounds.

Similar arguments can be used for gender, though there are on Pinker's account larger differences between sexes than between races.

Men are far more likely to compete violently, have a much stronger desire for multiple sex partners, are better able to manipulate three dimensional objects and space in the mind, have a higher tolerance for pain, and a greater propensity to take risks. For some characteristics the sexes share, men tend to predominate at the extremes. For example, boys tend to predominate among both the learning disabled and the very bright. Women experience basic emotions more intensely, have more intimate social relationships, and are more attentive to infants and children.

None of this justifies discrimination against individuals of either sex but, as Pinker persuasively argues, it does explain why men and women on average differ in their interests, abilities and chosen occupations. Without any discrimination at all men are likely to be more numerous among engineers, physicists, and mathematicians, simply because these are areas of relative average male strength.

Pinker also shows why fears about genetic determinism are not well-founded, and why we will not as the result of genetic research have every defendant claiming that his (it is usually a him, for the above reasons) genes made him do it. While especially males have a capacity for violence, Pinker argues that the brain has contingent strategies for violence, used in particular circumstances. Societies can do much to inhibit violence, through deterrence and avoiding circumstances in which violence is triggered. As Pinker points out, 'today's docile Scandinavians descended from bloodthirsty Vikings', and murder rates in modern societies, even the relatively violent United States, are a fraction of what they were earlier in history.

Though the material is in *The Blank Slate* to allay these and many other fears about genetic explanations, I'm not sure how far the book will go in achieving that goal. The polemical style Pinker often adopts, while sometimes fun to read (political views *Policy* readers are unlikely to share get a particularly tough time), is as likely to alienate as persuade those who don't share his views. Often Pinker can't resist firing a few more intellectual bullets into an already dead set of beliefs, adding humiliation to correction.

His arguments on the old nature/nurture debate frequently suffer from being one-sided. While he believes that genes normally explain no more than 40% to 50% of variations in human attributes (that is, there is a very large share for environment, the nurture in the nature/nurture debate), the evidence and arguments offered overwhelmingly refer to genetic explanations. There's much more nature than nurture in the book than there is in life.

If the current conventional wisdom was badly imbalanced against genetics Pinker's own lopsidedness might make sense. As many reviewers have pointed out, though, Pinker sometimes exaggerates the extent to which it is generally believed that there is a 'blank slate', that there is no human nature and everything is 'socially constructed'. While he does not attack straw men (or straw women, in the case of feminists), the individuals he singles out for criticism are not necessarily representative of pervasive beliefs. It is doubtful that a blank slate model of human nature dominates the social sciences these days.

An alternative view is that social science emphasises the nurture part

of nature/nurture not because that's all there is, or even because ultimately that's necessarily the major determinant of behaviour, but because that's what we can change. As yet, we don't have the technology to produce widespread changes in human genetic make-up (and whether we should have it is the subject of other long books). This leaves environmental change.

Pinker knows this, and he praises social institutions that are well adapted to human nature, and criticises political philosophies that are ill-adapted to human nature, such as Marxism and all other forms of utopianism. Family ties, a limited propensity for sharing outside the family, and self-serving biases are all human traits that put limits on political change. Yet the structure of Pinker's book gives the impression that he sees genetics as more dominant than the evidence warrants.

I don't want to finish this review on a negative note. *The Blank Slate* is a well-written book with many interesting facts and arguments in addition to those already discussed—on why rape is primarily about sex and not power, the 'noble savage', the 'ghost in the machine', the genetic basis of political orientation, the relative role of parents and peers on how children turn out, the arts, Pinker's own speciality of language, and much else. Some historical beliefs about human nature are, on the evidence Pinker produces, wrong, as are the views of some academics in the arts and social sciences. In his relentless pursuit of the social constructionists, though, Pinker overkills. I suspect, on the basis of genetic propensities, that a woman would have written a more measured book.

Reviewed by Andrew Norton