

one that we are unlikely to ever remedy due to Bennett's insistence on undesirability of any overarching political authority within a network commonwealth. Thus, when all is said and done, a network commonwealth essentially emerges as a glorified free trade area, and not surprisingly *The Anglosphere Challenge*, while written after September 11, in many ways reads like a blast from the 1990s past, with its techno-optimism and economic exuberance.

Writes Bennett:

This book started out as a look at what the Internet and subsequent technologies would do to the world economy. It began as an exercise in imagining a 'borderless world' and an investigation into 'the end of nation-state' and similar themes. However, my research on the issue convinced me that this was not what was happening at all. Yes, there is going to be a borderless economy in the sense that obstacles to flow of capital and technology and goods will continue to diminish. But even though this process will lead to the end of the economic state, it's not going to be the end of the nation-state, because nations—in the sense of cultures and institutions—will count more than ever in this environment.

Bennett's book shows us how and why we should get there. Only time will tell if we will, and if we do, if it has been worth it.

Reviewed by  
Arthur Chrenkoff  
chrenkoff.blogspot.com

*Conversations with the Constitution: Not Just a Piece of Paper*

By Greg Craven  
UNSW Press, Sydney  
2004, \$34.95  
ISBN 0 86840 439X

Is it possible to write a readable book on the Australian constitution? My housemate certainly didn't think so. When he came across my copy of *Conversations with the Constitution* on the coffee table, he shot me a disgusted look and remarked, 'That must be riveting.' I turned away shamefaced; defending myself almost seemed hopeless. However, my housemate would have been surprised if he turned a few pages of Greg Craven's latest book. It's a lively and entertaining read.

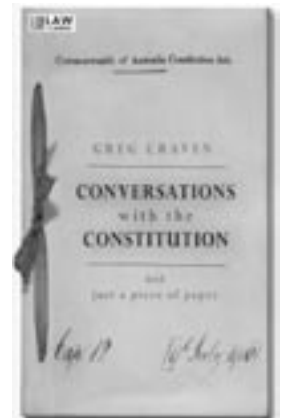
Above all else, *Conversations* is a defence of the Australian Constitution. Craven argues that the Australian Constitution has produced a century of safe, stable, democratic government, and in a world riddled with failed states the success of the Australian Constitution should not be treated lightly. Craven clearly loves the Australian Constitution. It may not have been born from a dashing revolution or contain a fashionable bill of rights, but it does have a rare moral authority stemming from its democratic origins. Moreover, Craven says it is interesting, alive and quirky—the sort of constitution you could imagine having a beer with.

In introducing a mass audience to the Australian Constitution, Craven employs his considerable wit. He is particularly good on the attack, satirically mocking those who inhabit funky shoe shops in Brunswick and attend rallies for a solar-powered Tibet. If nothing else, reading *Conversations* is a great way to improve your witty insults. Judicial activists are one group that comes under the Craven blowtorch. He likens the way they interpret the constitution to the way Attila the Hun rampaged through Italy. He thinks that some of the

'rights' and 'limitations' judicial activists have found in the text are logically as spurious as a Confederate bond. So I was surprised to find that Justice Kirby, a relic from the activist Mason High Court, spoke at the *Conversations* book launch. What could Justice Kirby see in a book that is as alien to his views of the Australian Constitution as Phillip Ruddock is to Amnesty International? Kirby praised *Conversations* for getting Australian citizens thinking about their constitution. But he was disappointed in the lack of balance. In Justice Kirby's opinion, there are heresies and outrageous opinions in every chapter. Craven's skilful rhetoric can be dangerous if taken at face value.

In chapter 2, Craven describes constitutional debate as a war between 'old constitutionalists' and 'new constitutionalists'. Craven is an old constitutionalist. He gives precedence to Parliament, defends federalism, dislikes judicial activism and is suspicious of constitutional change. New constitutionalists, in contrast, are irreverent of tradition and bullish about constitutional change. The distinction between the warring tribes resurfaces in chapters dealing with federalism, the High Court, the debate over an Australian bill of rights and the possibility of an Australian republic.

Federalism is a key feature of the Australian Constitution. Craven defends it on several levels. He says the states are different and should be governed by locals rather than remote heartless governments. He argues that federalism ensures that one government cannot exercise total control across Australia, an inherent good in the eyes of liberals like Craven who view unrestrained power with suspicion. And he points out that state governments provide a forum



for testing new social and economic policy before it is inflicted on the entire population of Australia.

Traditionally, it has been Labor governments clambering to tear down federalism and put in place a more efficient central government. Labor leaders from Billy Hughes to Gough Whitlam would have liked nothing more than a centralised system which enabled them to implement radical nationwide change. In contrast, the conservative side of politics has generally stood for federalism; not only because it frustrated Labor's agenda, but also because of the link between federalism and conservative's preference for balanced power and contained government. When Craven wrote *Conversations* he listed John Howard as a like-minded old constitutionalist. However, Howard's fourth term agenda runs against old constitutionalists' beloved federalism because it further centralises government, particularly in industrial relations, health and education. Craven is clearly frustrated by Howard's change of heart, recently writing in *The Australian* that Howard closely resembles an old leftist social engineer.

The demise of federalism, and with it the states, has been a long process. It began only five years after federation when the Commonwealth exercised its discretionary power to distribute surplus revenue to the states by not distributing any revenue whatsoever. While fiscal castration has been primarily responsible for the decline of the states, the process has been aided by a compliant High Court and a Senate that operates on party lines rather than state lines as originally intended.

*Conversations* packs in a huge amount of information, but it does so in an engaging and humorous way. While Craven has a strong political bias, he has made the Australian Constitution more accessible and lifted the standard of debate about the structure of Australian government.

Reviewed by Michael Walsh

*Why Globalization Works*

By Martin Wolf

Yale University Press, New Haven, CT

2004 (hb), 2005 (pb) US\$18  
ISBN 0300107773

**G**roan. Another dense book on globalisation to add to already crammed shelves. With a surfeit of books attacking or applauding globalisation, should we bother reading Martin Wolf's *Why Globalisation Works*?

The answer is yes. Martin Wolf has not written an original book. He does not unveil groundbreaking research or advance a startling new synthesis. But he does offer a novel approach to familiar questions. For a passionate free market liberal, Wolf takes the unusual step of writing a book focused on the contrary case.

*Why Globalisation Works* begins with a conventional explanation of how market economies sustain democratic and prosperous societies. The arguments are well known but not well understood. In any event, Wolf knows that explaining basic concepts such as comparative advantage is not sufficient to persuade readers. Sadly, masterful expositions of economic theory, supported by ample data, can leave readers cold. The striking fact for many people is not the incremental progress made in recent decades but the continuing tragedy of more than a billion people living in poverty. For many people, an analysis which accepts that this situation will only gradually change seems complacent or callous.

No one desires to be seen as so heartless. Some liberals over-compensate by dwelling on those instances where market reforms have failed (such as premature

liberalisation of capital markets in developing countries). This clears them of the charge of being 'market fundamentalists'. Others actively seek the approval of their critics. The World Bank opens its doors to non-governmental organisations. Jeffery Sachs invites Bono to write the preface to his latest book. Martin Wolf does not succumb to this pressure. He makes a robust case for globalisation and then, for good measure, dissects what he sees as the fuzzy reasoning and dangerous naivety of the anti-globalisers.

While criticisms of globalisation take many forms, the core proposition is simple. In a global free market, states must discard anything which inhibits their capacity to compete. The global market is a zero-sum game which cannot tolerate indulgences such as social welfare programmes,

environmental protection and civil rights. Liberals will immediately recognise the flaws in this caricature of markets. For many other people, this 'race to the bottom' argument is intuitively right.

Opting out of the global market has a natural appeal to industries facing strong import competition.

Losing the economic battle, these interests turn to the political panacea of protectionism. Often concentrated in regions, uncompetitive industries can tap public anxieties and wield disproportionate political power. Wolf cites the familiar examples of European and Japanese farmers.

The consolation is that protectionism has a tendency to be self-defeating. Public subsidies and tariffs rarely make industries competitive. Output and employment in decaying 'rustbelt' industries usually continues to fall despite rising levels of assistance. As costs rise, the political support for protectionism is strained.

