

experiences in Ghana and post-Colonial Britain—a terribly colonial view of ethical discourse: who really minds what the natives are burling, as long as we're all sitting down to tea at the same table?

Of course such a thing is eminently *do-able*, it might even work wonderfully in the fraught world of international diplomacy, but such an immediately sensible theory is not going to spark a French or American Revolution. By jettisoning metaphysics, stability is served, but something mighty about the human person and his fight for fundamental freedoms is lost, namely any appeal to the universalising transcendent. Rights lose their immediacy and any connection with justice as an absolute and therefore, an imperative.

Towards the close of *The Ethics of Identity* Appiah claims, '...I say, we do not go wrong if we resist designating everything we should devoutly hope for a fundamental human right' (p. 266). But by failing, as all liberals must, to speak of the universal imperative behind human rights as anything other than the findings of a peculiar empiricism, albeit a nuanced empiricism, blessed by utilitarianism; Appiah's ethics are hollow.

His rights are indeed an often-benevolent tangle of obligations and desires that happily made it into international law, but to survive another imperial project on the scale that birthed the cosmopolitanism he borrows from Rome and Westminster, such rights need the metaphysical *grundnorm* Appiah's liberalism cannot provide.

Reviewed by  
John Heard

#### Endnote

\* 'The Case for Contamination', Kwame Anthony Appiah, *The New York Times Magazine*, January 1, 2006.

### *Promises, Performance, and Prospects: Essays on Political Economy 1980-1998*

By Antonio Martino

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This collection of articles and essays by the Italian political economist and practising politician Antonio Martino deals with the Italian economic and political scene in the 1980s and 1990s. The essays are best appreciated by seeing them against the background of the resurgence of free-market thinking in the West in the immediately preceding years.

The 1970s and early 1980s in the United States, Britain, Australia, and parts of Western Europe, saw the rebirth of classical liberalism and a species of conservatism powerfully influenced by progress in microeconomics and criticism of the prevailing Keynesian orthodoxy. It was the advent of what came to be known (pejoratively in some circles) as 'economic rationalism'. Like many socio-political movements, this represented the coming together of a number of lines of development. On the political side, there was dawning disenchantment with democratic socialism, the extending reach of the state into civil society and private enterprise, and 'stagflation'. This was reinforced by the rediscovery of the liberal tradition in political economy, led by Friedrich Hayek in a series of publications extending from the 1930s to the 1960s and beyond, and built upon the insights of his predecessors in the Austrian school of economists, especially Ludwig von Mises. To this must

be added the work of the Chicago School of economists in the United States and the contributions of Milton Friedman, James Buchanan and others who identified the facts, framed the ideas, and polished the arguments that laid the foundations for such neo-classical and neo-conservative reforms as we have so far experienced. This was the intellectual milieu within which Martino found his voice.

After graduating from the University of Messina Law School in 1964, Martino became an instructor in economics at the

University of Rome and, on leave from that university, spent 1966–68 pursuing graduate studies under Milton Friedman and George Stigler at the University of Chicago. Returning to the University of Rome, he subsequently became professor of economics until 1994 when he began a

distinguished political career, including periods as Italy's foreign minister and minister for defence.

Although Italy did not experience the same economic and political re-assessments that presaged the coming of the Thatcher and Reagan years, Martino became a leading protagonist in his own country, and more widely, of the momentous developments in political economy. He was well prepared and well placed to play a part in observing the intersection between the theory of political economy and practical politics. This is especially true when he illustrates, through Italian experience and developments and his comments upon them, some of the central themes of modern liberalism and its reformist recommendations. Italy, in these essays, becomes a stage



upon which the drama of ideas and practice is played out. They have the power to instruct beyond Italy.

The articles and essays (preceded by an excellent foreword by Dwight Lee) are divided into six parts. The first part details the growing nexus in Italy (as in other Western countries in the same period) between the state's growing absorption of a greater proportion of national GDP through taxation, and deficit spending, that leads inexorably to the emergence of Leviathan and inflation. But it is an incompetent Leviathan, incapable of efficiently carrying out its promises and leaving behind not only a ravaged economy and exploited citizens, but also citizens generally ill-informed about the causes of their woes. In his reflections on such things, Martino discusses the possible role of a fiscal constitution.

Parts Two and Three—'Hopes Betrayed'—explore the ramifications, in Italian public policy of the period, of the themes introduced in Part One. In discussing statism and taxation, he echoes issues currently under debate in Australia in the form of resistance to taxation reform, the difficulty of cutting government expenditure—especially welfare expenditure—and the connection between illiberalism and high taxation. He says, for example (p. 53): 'Quite independently from considerations of efficiency and progress, statism is to be criticized on moral grounds, for a high degree of statist exploitation gives bureaucrats and politicians a property right on the average citizen's time that is incompatible with the moral basis of a free society'. The words 'high degree' here are to be noted, for Martino concedes that every society 'must suffer some degree of statist exploitation'.

Part Two also includes a discussion of state and private

education, and the idea of compulsory education, that is highly relevant to our present concerns in Australia.

Martino's well-known Heritage Lecture 'Was Keynes a Keynesian?' is reproduced in Part Four. This essay has become a minor classic, yet is not readily accessible. As an eloquent statement of much that underlies the intellectual and moral case for free-market liberalism, it is well worth re-reading.

Parts Four and Five deal mainly with monetary policy and the prospects of the Euro. This section is interesting from an historical perspective in raising issues which we now believe have been solved, or substantially solved, by the independence of central reserve banks governed by monetary and price rules.

This is not so, however, with the Euro and the role of the Euro in wider European Community economic policies, and here Martino discusses still-unanswered questions.

For the general reader unfamiliar with recent Italian economic and policy issues, there are several essays here that will inform and illuminate. For the reader more interested in the interplay between economics and liberalism, there are essays that richly reward their reading. Whatever the focus or interest, all of the essays are written lucidly and accessibly.

Reviewed by  
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