mind and interests broader than pure finance will find Leithner's treatises on Austrian economics (good), business education (bad), free enterprise (admirable), business media (terrible) and politics and politicians (despicable) entertaining and thought provoking.

Not afraid to apply the blow torch, Leithner devotes several chapters to exploding the myths of modern financial theory, and haranguing the business schools which propagate such nonsense. Schools which, essentially, are devoted to turning out investment professionals who have been taught it is not worth their while to think. Similarly, Leithner has little time for market forecasters and economists, and reassures the reader that 'If you have never studied the dismal science [economics], rejoice — this means it is less likely you will have to unlearn the myths and nonsense that pervade the contemporary mainstream.'

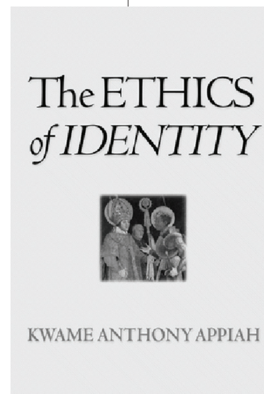
Leithner's thinking on finance and other subjects his book touches upon is rigorous and the expression of his ideas forthright. Details that market participants gloss over, such as the erroneous use of the term 'value' for 'price' or 'investment' for 'speculation' receive precise and revealing dissection. Fortunately, with his clarity of thought comes an exacting use of language and merciful brevity. It seems, despite his background, Dr Leithner has unlearned the nonsense of language that passes for written discourse among the academic mainstream.

Leithner is of the opinion, and shows, that individuals are better placed than institutions to avoid the kinds of self-destructive behaviours that pervade many financial institutions. Leithner demonstrates that much of the market is driven by fear, greed, and speculation, and not rational and considered assessment of fact. A key, then, becomes mastering one's emotions to take advantage of such conditions and basing one's assessments on disciplined and conservative analysis.

Ben Graham once said 'There are two requirements for success in Wall Street. One, you have to think correctly; and secondly, you have to think independently'. Leithner's book is the best Australian text to allow investors to start to do this.

Reviewed by
Chris Prunty

The Ethics of Identity
By Kwame Anthony Appiah
Princeton University Press
2005, 358pp, US$29.95,
ISBN 0 691 12036 6



When reading the epistemic knots liberal scholars tie themselves into whenever they approach human rights, I'm mindful of the ethical banality of the tradition which has for the most part been shy of metaphysics. Great as political theory and often engaging as airplane reading, liberalism has no coherent foundation and therefore nothing that ultimately stretches beyond high-end pamphleteering.

Clearly, Kwame Anthony Appiah is in the same boat, or perhaps it's his convoluted prose. Either way *The Ethics of Identity* is a long, undisciplined but probably immediately important read.

For a reviewer schooled in the certainties of the natural law tradition, Appiah the philosopher reminds one of a terribly learned, but increasingly baggy professor, lost between two or thirty very meaningful ideas but seemingly unable to articulate many of them in a solid, careful manner. You know, however, that by the end of the semester you will have learned *something* valuable, or perhaps many things, even if you struggle to identify them later. They would be almost certain to make you sound clever during a Presidential debate, if such a thing were still desirable.

Perhaps this quality derives from that fact that liberalism, as Appiah acknowledges, 'is not so

much a body of doctrine as a set of debates' and indeed 'what we now call the liberal tradition' if viewed from its inception 'would look less like a body of ideas that developed through time and more like a collection of sources and interpretations of sources…'.

Appiah's monograph certainly has this tone and structure, a great grab-bag of insights, debates and reflections on the familiar elements of the liberal system that ends with a novelty, a peculiar attempt to prognosticate on themes of globalisation and what Appiah has lately called 'contamination' and 'rooted cosmopolitanism'.*

Can he succeed? Indeed, what does it mean to succeed as a liberal? If, as Appiah would have it, the history of liberalism is one of 'yet another instance of the Owl of Minerva's taking wing as the light fades', then this wide-ranging and immediately contemporary text has succeeded. It carries on the liberal debate, it speaks to liberals and what's more, it *speaks* liberal, that curious pseudo-philosophical nomenclature made up of what are—ostensibly—merely practical ideas that have—for the most part—dominated political, philosophical and legal discourse in the Anglosphere.

A man who adopted the African name 'Kwame' late in life is obviously serious about race and identity politics generally and Appiah's text maps out his concern to conserve something of the local in the wide, white noise of the global context. A *prima facie* improbability is the key image shadowing this book and Appiah's attendant writings: an African villager yammering on a cell-phone. This is the awkward synecdoche of Appiah's 'cosmopolitanism'.

Like the baggy professor's lectures, I skipped the least original sections of Appiah's text: those dealing with liberal history (why read what Appiah thinks Locke said, read Locke) and what might be termed 'Ivy League water cooler chatter' demonstrated by a detached curiosity for technology generally and the internet long after such things became quotidian tools, rather than conceptual conundrums, for the rest of us. You can too.

One must, however, take seriously his attempted revival of cosmopolitanism, not least because he has lived the contemporary history of African development and the post-colonial reverse-diaspora *cum* diaspora (born in London, raised in Ghana, a student in the UK, and now a US citizen). Peeking out from the posturing inherent in any such work is Appiah's earnest desire to carve out a space for difference in the apparently homogenising machine of contemporary culture. That space is tech-savvy, but culturally diverse, there's no good reason why Locke's individual in 2006 need jettison traditional signifiers to join the global conversation.

Rather, one can speak the language of the Asante over a Nokia cell phone and in the process perform a new kind of identity politics. In this manner, one 'contaminates' liberalism and enriches political debate.

But how precisely is this *good*? The text is called *The* Ethics *of Identity* after all. Unfortunately, Appiah skirts the issue. He must, like all liberal scholars, retreat into relativism or what he novelly terms 'metaphysical ecumenism' (p. 267):

> Human rights as they actually exist are, above all, creatures of something like law…agreements promulgated by states...the major disadvantage is that without some grounding—metaphysical or not—it is hard to see why they should have any power or effect. (p. 259–260).

Surely a problem, but not it seems for the common sense-driven liberal.

Appiah appeals to Michael Ignatieff who has said, 'human rights has gone global by going local' and sets out an achingly liberal justification for the groundless norm: human rights have proven useful to many people in many places and so must be good. In other words, we're back to Mill and utilitarianism.

Appiah claims his 'pragmatism' is not the blunt rule of the mob applied to fundamental freedoms but still claims that 'all of these (fundamental human rights) are things that are wanted by most people everywhere' (p. 266). He is correct, some of our most cherished rights (the separation of powers for instance) specifically restrain the mob, but on a wider, meta-analysis he's still talking about 'the consent of a majority of our species'. If he's not, he describes something else related, which might be called Imperialism, hinted at in this passage:

> We needn't be unduly troubled by the fact that metaphysical debate is unlikely to yield consensus, because human rights can, and therefore should, be sustained without metaphysical consensus. (p.267).

The leap from *can* to *should* speaks to might is right. Such a thing is the death of human freedom.

Still, Appiah is not unrestrained. He repeatedly attempts to 'root' his theories in individual identity which he claims 'is at the heart of human life' something that liberalism apparently 'takes...seriously'. (p. 268). His 'cosmopolitanism' 'values human variety' but not insofar as diversity might 'constrain more than...enable' 'meaningful human life'. (p. 268) This is—perhaps because of Appiah's personal

experiences in Ghana and post-Colonial Britain—a terribly colonial view of ethical discourse: who really minds what the natives are burbling, 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.

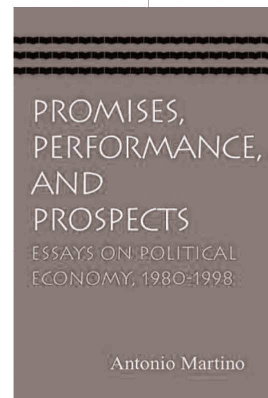
Reviewed by
John Heard

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
Liberty Fund, Indianapolis, 2005
ISBN 0-86597-563-9

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