Eric Jones has drawn on his command of history and economic literature, his wit and pen craft to analyse this challenging frontier where economics intersects with the multifarious subject of culture. *Cultures Merging* steps into the unbounded sphere of customs, beliefs, behaviour, values, ideals and preferences shared by groups of people. This carefully reasoned, comprehensive and intellectually amusing assessment of ‘culture’ in its many forms should strike a chord with readers confused by the frequent, imprecise references to that subject. At another level, the economic commonsense underpinning this enterprising analysis should appeal to anyone who has difficulty dealing with claims for ‘cultural protection’ generated by conservatives and conservationists, the performing arts and postmodernists—to name a few!

Culture and institutions overlap. Culture is a process that comprises rules and practices acquired informally in society, while institutions are conscious or political constructs that support customs, etc. Separating the process and the institutions is a source of confusion, which perhaps explains why modern economists tend to neglect cultural considerations in their analyses of rational maximising behaviour. However, as his assessment progresses, Eric Jones makes important revelations that establish the importance of cultural change in adjusting community behaviour over time. Historically, as customs set down by tribal leaders gave way to religion, morals and behaviour were established through religious teachings, while laws developed to replace arbitrary decisions by chieftains or committees of elders. As time passed, European law was codified by medieval clerics and adopted by the lay legal profession for application to mercantile contracting by the rising middle classes. Law is fundamental to the operation of effective markets, and the process of economic development.

Early in this study, historians are criticised for giving little weight to cultural change, tending to treat culture as constant over extended periods. This is convenient and even appropriate for some periods, but it is difficult to accept for any research over the past two centuries, after frenetic movements of people, goods and technology. The effects of invasions, immigration, trade and economic change are examined thoroughly in Part II.

This volume covers the broad span of ‘culture’. It ranges from historical assessments of religious and spiritual regimes to the cultural advances that facilitated the spread of globalisation. Special attention is given to the development of counter-philosophies in East Asia, to the cultural stagnation associated with state planning and the disasters brought to Sub-Saharan Africa by cultural paralysis. The spread of economic prosperity relates strongly to the establishment of law and order, while poverty, perversely, discourages efforts to improve. Yet economic progress begets cultural change and more growth.

When markets combine or competition brings them together, there is cultural fusion. Cultural fragmentation occurs when markets remain separate. In the developed world, globalisation has provided unified markets, and many developing countries aspire to join them. Even so, media-based ‘cultural protection’ and anti-Americanism conspire to frustrate market unification. Complete standardisation of goods and services is unlikely as personal contacts amend information—and surely, there are enough international frictions to convince anyone that differences will endure.

The author draws on many sources to review the place of ‘culture’ in history. The chapters on religions and community practices are full of entertaining anecdotes that relate to social behaviour. He links Christianity to prior pagan rites in amusing and revealing ways. Christianity is exposed as continuing the practices of tribal leaders, by invoking ancient rites to support its authority. Justifications for these anachronisms are substantiated by the current willingness of churches to make concessions to sustain their falling congregations.

The use of ‘Merging’ in the title refers to the tendency for societies, religions and languages to come into contact, borrow ideas and at times to blend. As this interaction increases, information transfers become less expensive and cultures grow more alike. On the other hand, national media operators often try to impede ‘global culture’, which they regard as American imperialism. However, young generations across the world do not see such interactions as threatening, rather as providing opportunities for them to join the global economy; ‘culture and information accompany goods and services, migrations and conquests, as invisible baggage’ (page 104).
Where authorities resist foreign information or products, the forms of protection adopted tend to align with the interests of ruling elites. In Australia, arts' and media groups periodically mount protests demanding protection from foreign competitors or subsidies for local artistic endeavours, in attempts to evade market disciplines on their productions.

This comprehensive study of changing cultures and their links to economic development suggests an opportunity for a peaceful outcome to the continuing Islamic backlash against Western culture. The material gap that has opened between the West and the Islamic states of the Middle East and North Africa (MENA) is a socio-economic gap as well as a cultural one. The problems for MENA populations arise from slow economic growth (with high military expenditures) and corrupt, authoritarian regimes that eradicated prior cultures. Levels of education are low, population growth is high and government sectors dominate these economies. The result is low productivity and high unemployment, leading to social discontent and idle young men susceptible to paternal bullying and unquestioning obedience to medieval Islam. There is potential for strong catch-up growth in these economies. Eric Jones identifies some of the gradual changes in Islamic society, especially the education of women, as instruments for change in the culture of social restraint and conservatism. Many young Arabs now learn English and follow Western broadcasts. Drawing on this book’s analysis of changing cultures, there is evident potential for the Islamic states to ‘merge’ culturally and economically with other parts of the world, even against present repression. There is always a place for a positive prognosis for this kind of worrying international crisis.

The most striking thought in the excellent review of the role of culture in economic development is that culture is changeable, which enhances the prospect that economic development is possible even in the most hide-bound autarkies. The book is challenging because it is so comprehensive, but it is rewarding because it is optimistic about the scope of culture and its links to economic development.

Reviewed by David Robertson

The Ethic of Respect: A Left Wing Cause
By Frank Field

Frank Field argues that nineteenth century Christianity bequeathed us a “rich deposit of ethical values,” which he summarises as an ‘ethic of respect.’ In this Occasional Paper, he warns that this ethic is rapidly being eroded with calamitous consequences. Field notes many contributing factors including: the decline of traditional, male, blue-collar work; a crass, individualistic mass culture celebrating boorishness; widespread welfare dependency; the breakdown of marriage; and the spread of single parent, female-headed households.

Farewell to Liberty, Equality and Fraternity:
Is the Left still on the left?
By Dirk Maxeiner and Michael Miersch
Translated by Wolfgang Kasper

In this Occasional Paper, two German analysts argue that the Left’s classical aspirations have long been realised in all mature welfare states. Yet, by now, the grandchildren of the old revolutionaries have become reactionary. The Left has said farewell to the Enlightenment, and in its wake obscurantist and esoteric world views are flourishing.

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