

study of post-war British immigration, *The British Dream*. Goodhart, the founding editor of *Prospect* magazine, weighs the meaning of national identity and examines the ways in which growth in cultural and ethnic diversity has strained it. He challenges a number of the prevailing views about the effect of immigration on British society and mounts some discomfiting arguments. First, immigration did not feature significantly in the life of Britain until the post-war years. More people now arrive in Britain in a single year than they did in the entire period from 1066 to 1950. Second, the social and economic benefits of this immigration are more mixed than politicians care to admit. Third, the extent of the demographic transformation of Britain brought about by high levels of immigration, particularly after 1997 under Tony Blair, has been enormous.

Multiculturalism has also evolved in the period from the 1950s and 1960s from a more liberal, integrationist form promoting equal rights and the eradication of racial discrimination to a harder, more separatist form that privileges minority identities over common citizenship and casts doubt on the legitimacy of the notion of a core national culture. Separatist multiculturalism emerged in the early 1980s and was fuelled by the Salman Rushdie affair at the end of that decade. Goodhart maintains that as this harder form of multiculturalism has taken hold, so minority leaders have increasingly demanded a separate slice of power and resources rather than the means to create a common life. The danger of allowing separatist forms of multiculturalism to flourish is that it fosters what Goodhart calls 'reverse discrimination' whereby 'the minority wants the majority society to shift its norms, values and laws to better suit the minority' (p. 196). 'In its extreme form separatist multiculturalism even ... turned a blind eye to practices that were the opposite of the liberalism that inspired it: forced marriage, female genital mutilation, the hounding of gays' (p. 197). Goodhart thinks 'common sense would surely suggest that minority autonomy and feelings of national solidarity pull in different directions.' (p. 206). He searches hard for evidence that indicates otherwise, but he does not find any.

Advocates of hard multiculturalism, such as Soutphommasane, however, maintain that strong multicultural identities are perfectly compatible

with strong national identity. For Soutphommasane, multiculturalism is about allowing those distinct groups to determine their own ways of belonging to a national community, even to the extent of admitting sources other than English-speaking democratic authority to any conversation about the principles of Australian parliamentary democracy. 'For example,' he explains, 'Italian immigrants should be able to appeal to Italian democratic norms as citizens in Australia—and we should be willing to adopt Italian democratic wisdom' (p. 109). It is a comical suggestion but Soutphommasane makes it in earnest.

Separatist multiculturalists such as Soutphommasane are slow to admit the tangled complexity they face in calling for funding from the public purse to dethrone the dominant political and social culture while promoting notions of national allegiance and democratic national citizenship. Multiculturalism must really be about the weight it is deemed proper to afford cultures other than the prevailing Australian one. Once the rule of law determines the extent of permissible behaviours, the state should get out of the business of supporting or maintaining immigrant ethnic cultures.



Reviewed by Peter Kurti

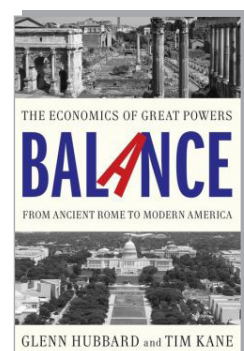
Balance: The Economics of Great Powers from Ancient Rome to Modern America
By Glenn Hubbard and Tim Kane

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Two great shibboleths have long been imported from history into popular works. They relate to the Fall of the Roman Empire and the Industrial Revolution. Nowadays

a third is added—the Glorious Revolution of 1688 in England—inaccurately portrayed as securing property rights and hence facilitating economic growth. Each example is made to seem Protean. Each is interpreted to point up whatever modern message an author chooses to pass on, regardless of serious historical research. More than 200 different ‘explanations’ of the Fall of the Roman Empire have been counted and one can take one’s pick among them.

Balance: The Economics of Great Powers from Ancient Rome to Modern America cites all three shibboleths, disappointingly setting the tone for a volume that seeks, first, to learn why great powers decline, and second, to ask whether the United States can break the (assumed) mould. These are the questions that come to the minds of a pair of prominent US economists, Glenn Hubbard, a former chairman of the president’s Council of Economic Advisers, and Tim Kane, who twice served on the Joint Economic Committee of the US Congress. The interest of their questions is however not remotely matched by originality in their answers.

Balance is an example of the ‘uses of history’ genre, formerly debated by students of history, even at school. Can historical episodes be found to illuminate, even guide, the present? The perils of the approach are made clear by the book, because current American travails are read back so directly into the histories of great power failure they overwhelm whatever lessons—if any—might be learned. We are trapped in a hall of mirrors in which past and present do little more than reflect one another’s pre-selected features. This is the case for all of a slightly odd sample of eight case studies: Rome, China, Spain, the Ottoman Empire, Japan, Britain, ‘Europa,’ and bizarrely enough, California. Why California? The argument is that California is so big (with a GDP twice that of Australia) as to deserve inclusion, but the anterior motive seems to be to berate the ‘fiscal illusion’ from which its voters suffer—that their taxes will cover an infinite expansion of welfare provision.

There seems little point in recounting or dissecting the histories offered. They do not depend on research or sustained reading but endlessly, and not very critically, cite syntheses by fashionable figures in

the American scholarly establishment. Nothing is intrinsically wrong with synthesis. Moreover, leading writers seldom remain leading writers for no good reason: the problem is the dogmatic and superficial way in which their work is used. It would be easy to retort, to a scholar like me, *odium theologicum!* But that would be wrong. I find no common scholarly thesis to which, as an economic historian, I might object. The argument is instead parachuted in from the authors’ impression of what is wrong with the US economy today, a view that is not necessarily objectionable but which—rightly or wrongly—is simply not an uncontaminated outcome of the historical case studies.

The seven ‘lessons of great power history,’ listed in half a dozen pages, are banal: nothing is inevitable, people are people; the main threat to America is from itself; politicians’ ignorance of economics is fatal; big government is the enemy; loss aversion threatens innovativeness; and America should lower tariff barriers all round. At this level of generality it is hard to disagree. The difficulty, for all the authors’ talk about recent advances in behavioural economics, comes with securing political implementation. How to escape the ‘Great Power curse’—the swamping of revenues by excessive expenditures and unsustainable debt? Again, speaking generally, this really is a curse, though the current gridlock of American party politics, dealt with in some detail here, was scarcely foreshadowed by the array of early and seldom democratic societies.

Mounting and extravagant welfare and medical entitlements arise from the populism of democratic politics, no doubt, and are hard to stem, as the authors found in their political advisory roles. Sensibly, then, they propose positive, but still very broad, types of reform to speed up the economy—create more wealth and think about curbing public expenditures later. Theirs is almost a wish list: first, reform the tax code to encourage growth, a suggestion that is little more than code for cutting taxes on business; second, expand the scale of the US economy by freeing up trade within and outside the country (hear, hear); and third, arrest decline in the formation of businesses and in job creation, that is to say, cut the government regulation of business. Examples are given of the

need to roll back regulation and the distortions it has engendered even at capitalism's American heart: one-third of worker incomes now comes in the form of benefits, with all the incentive-sapping effects that this implies; while in some states a ludicrous amount of training is mandated for, of all trades, interior decorators. Such distortions do need to be corrected but they are generated by a giant, choking collusiveness of the type Mancur Olson famously warned about in *The Rise and Decline of Nations*. Stripping off all the ivy clinging to the economy would entail a massive political program. Once the detailed costs became apparent, who could gather votes for that?

The authors want a constraint on welfare expenditure to be built into the US constitution,

and give some specifics. They offer as a one-page appendix a 'proposed text for a nonpartisan balanced budget amendment.' Approve this program or not, it does not derive in any tangible way from the histories of Ancient Rome, Ancient China, Habsburg Spain, or the Ottoman Empire. American urgencies are fed back to these examples, not vice versa. The authors have a hammer with which to beat welfare entitlements, and to those who have a hammer, everything starts to look like a nail.



Reviewed by Eric Jones

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