

David Kemp

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The first function of a political system is to provide the security that is impossible in a state of anarchy. When they are properly conducted, governments protect our persons and our property from aggression. The modern Nanny State goes further: it tries to protect us from ourselves by discouraging unwise personal choices about such things as health insurance, retirement income and smoking. The Welfare State also transfers wealth from rich people to poor people.

That is about all that governments can do without doing serious harm to the governed, and some of even that is questionable. 'Unwise personal choices' can be defined only by reference to the opinion of a governing elite, and, in practice, income transfers tend to be from middle-income people both to poor people and to those rich people who have most political influence.

Their promises notwithstanding, politicians cannot guarantee that we will achieve our goals. Nor can they strip us from personal responsibility without at the same time making us slaves and destroying the economic and political systems which increase the likelihood that we will, in fact, get the things we want. The more that governments try to guarantee the goals sought by some people---say, by granting monopolies and fixing prices---the more they prejudice the goals of other people.

To take two topical examples: the Wheat Board and the Arbitration Commission. By fixing the price of wheat and employment respectively, these monopolies do indeed offer price certainty and a higher price to some people, but they also create losers. The losers are consumers, innovators, would-be sellers of high-quality wheat or labour, the farmers who in the 1970s were subject to wheat quotas, and the unemployed. The greatest beneficiaries are not, as might be thought, the least-efficient farmers and workers, but the members of the Wheat Industry and Industrial Relations Clubs---the people who depend upon 'the system' for kudos and employment. Unfortunately these are the same people who most influence governments.

To protect us and our property, not only from private predators but also from government itself, politicians must maintain certain rights---freedom of person, free speech, private property, assembly, contract and so on. In practice, not even these rights are absolute, but they are the basis of practical rules by which we may conduct our lives with the minimum of damaging conflict and resolve such conflicts as do occur. Such general rules give us a great deal of security---we are less likely to be murdered, have our property stolen, be the victims of fraud, be denied reasonable redress and so on. They do not, however, ensure that our efforts will produce particular, results---outcomes also depend on which goals we pursue, the diligence with which we go after them, our innate abilities and Lady Luck.

Politicians should be expected to enact only general rules---that is, they are expected not to have favourites---and they are expected to legislate prospectively so that personal conduct may be guided, rather than frustrated, by the law. In practice, Australian governments fall far short of these ideals. They very often employ the authority entrusted to them to increase the certainty with which somebody achieves his goals at the expense of somebody else's.

When the issue is put in such general terms, most politicians accept that favouritism is wrong, but they nevertheless find a million reasons for making favourites.

I have waited somewhat impatiently for the publication of David Kemp's "Foundations for Australian Political Analysis" because I felt it might be a somewhat better guide than most to real-world politics. It is.

Political science is beset by incompitible macro-political theories and attempts to make the world fit them. In particular Marxism, Socialism and Fascism have shed many thousands of gallons of blood and destroyed many prosperous economies. For political science to be scientific it has to be more than a mere cataloguing of the icons; like economics, it has to be able to say 'if this, then that' with approximate certainty.

A micro-political theory that explains the real world, rather than inflames it, is needed. And it needs to explain the world at the level of individual decision makers. Kemp employs the same assumption that underlies economics, namely, the belief that most of the time individuals will try to achieve their own ends. He describes Australian politics in terms of people and institutions trying to reduce uncertainty in the achievement of their goals. To do this they seek independence from the authority of other people while trying to augment their own.

Professor Kemp was chief policy adviser to Malcolm Fraser---so he has practical political experience. The Two-Airline debates and the many tariff arguments are easily understood in his terms. If some of us had understood the political processes as well as we understood the economic

processes, would Australians have been saved some subsequent discomfort? Even if we had understood, did we have the skills to capitalise on the knowledge? I wonder.

On one count the book is depressing. David Kemp writes: "Private authorities and individuals have found in State authority an instrument they can use to control the social order on their terms". If politicians never behave in any other way, then Australia will get into deeper and deeper trouble. Further, if politicians are to be judged by their adherence to the before-mentioned general principles--- principles which few politicians would publicly deny---then they are neither very successful nor very moral.

In the Fraser years, government authority was used to provide certainty, but too often it was an attempt to provide certainty of outcome. It made favourites and imposed costs on others. The scandals associated with WA Inc, VEDC and Suncorp etc are all further examples of unwarranted favouritism.

On another count, Kemp is hopeful. Authority is now seen to have inherent limitations and general-interest arguments are at last being heard. The *liberal ideas flowing from government instrumentalities such as the IAC, universities and the private sector specialist policy organisations are increasingly supplanting the special pleadings of vested interest groups.

* subs: please do not capitalise!

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