

standard. To ensure that restrictions on training are there to protect the public—and do not simply serve to keep supply low and thus price high.

Another example is the restriction that prohibits new pharmacies from establishing within 2 kilometres of another pharmacy. Is this really protecting the public interest or could it actually be working against the public interest? Considering that the impact of this law is that populations in the older suburbs usually have some price competition and choice between pharmacies (because they were established before the geographical restrictions were introduced), residents of newer (and usually less affluent) suburbs will only ever have one pharmacy and no price or service competition.

These debates seem even stranger when one considers areas which have been reformed in some States but not in others, such as reservation of practice for lawyers.

In South Australia, since the turn of the century, licensed 'conveyancers' have been permitted to provide conveyancing services. In New South Wales, this area of practice was deregulated in the early 1990s. Since then, conveyancing costs have come down by an average of 17 per cent, regardless of whether they are provided by a licensed conveyancer or by a lawyer, a saving to consumers of about \$86 million a year. Yet, conveyancing is still reserved practice for lawyers in Queensland, Tasmania and the ACT.

Fear of uncharted ground is one thing, but when you have the luxury of observing successful deregulation in a neighbouring jurisdiction one has to ask how continued regulation and higher prices can be justified to consumers.

Asking these questions is essentially what National Competition Policy is all about.

Graeme Samuel is President of the National Competition Council.

I P A

The Role of Dry Philosophy

JOHN HYDE

The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually slaves to some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.

John Maynard Keynes in the final paragraph of *The General Theory*.

JUST as a deceptively simple trophy once breached the walls of Troy, some three millennia later the deceptively simple beliefs of an apparently trivial minority brought down the Berlin Wall. Less spectacularly, in almost every country on almost every issue, these beliefs radically changed the way we are governed. In Australia, productivity nearly doubled in the 1990s and we survived the Asian crisis with barely a hiccup.

Dries, or as some say, economic rationalists are identified solely by the beliefs that they share, yet few attempts have been made to list their essential beliefs or to explain how they took the citadel.

For the first three-quarters of the twentieth century, philosophers and economists even of the standing of Adam Smith, Ludwig von Mises, Friedrich Hayek, Karl Popper and Milton Friedman had been portrayed as Canute-like figures admonishing the inevitable. The publications of the fledgling think-tanks of the 1960s and 1970s were dismissed as amusing intellectual games. The arguments of Bert Kelly, the Member for Wakefield in the Federal Parliament, were dismissed as quaint but irrelevant. Classical liberals every-

where were portrayed as barbarians, successfully starved of academic recognition and derided or ignored as suited their opponents. In the last quarter of the century, ideas of long-standing, that can in part be traced back to the Levellers in the 1640s for instance, took root and flourished among men and women of political action, right down to individual voters. How these ideas were sown and nurtured by a minuscule band of mostly happy warriors is a tale well worth the telling.

Dryism's roots reach deeply into beliefs about the nature of humanity, especially the Lockian notion that rights originate with the individual and that the function of authority is to protect the rights and liberties of citizens. A more arid philosophy could not have sustained the campaign. The powers of Crown, Parliaments and Courts are, therefore, held only in trust. The terms of this trust are the common ones that the entrusted powers will be exercised only on behalf of the intended beneficiaries and the beneficiaries are of one class—privilege is abhorrent. Nevertheless, dryism does not depend upon a metaphysical construct of society itself. Rather, society is what free and equal people make it, rather than some 'form'

or 'essence' that is not necessarily observable.

Loyalty to beliefs and the values embedded in them can be almost tribal. They identify 'us' who are different from and better than 'them'. It is, for instance, easy to imagine Margaret Thatcher asking disdainfully whether So-and-So 'is one of us?' They offer individuals an opportunity to belong and a cause, if not to die for, then at least one to struggle for. Ours was the Good Fight!

Beliefs impose consistency. For instance, against the common criterion of equal status in law, apartheid, ethnic subsidies and industry protection all seem unsatisfactory. And, among ends that almost

nobody disputes, it is worldviews that establish priorities. Faced with the recurring trade-off between security and freedom, socialists draw a line nearer to security and liberals another line that is nearer to freedom.

'Wet' is a public schoolboy term meaning feeble or timid. The quintessence of a drier is, therefore, that he or she will face facts and take necessary action at personal cost.

As the term has evolved, however, driers have become associated with particular interpretations of the facts and prescriptions of the necessary actions. Social systems, like ecosystems, developed by trial, error and elimination over a long time and driers doubt that man can redesign them to create Utopias. They note that attempts to do so have a dreadful record. History teaches them that people given authority over other people become tyrants even when they are well-intentioned. The driers' world view does not include men and women of such superior understanding, morality and wisdom (particularly not themselves) that can be trusted to identify—let alone to

run—the ideal society. Their formulae, therefore, tend to limit rather than to direct the employment of power and make fewest demands on the assumption of superior understanding.

They do, however, require the state to treat its people as legal equals and to maintain the rules within which citizens can pursue their own goals, particularly employments, without unnecessary duress from gov-

ernment or private sources. Because driers oppose privilege, they are bound to attract the ire of those who, through political influence, have won legally-enforced tariffs, occupational licences, ethnic subsidies and laws that prevent private

choices that must, by their nature, discriminate. Unlike the societies of all of the Utopian ideologies, the societies that have tended to offer their citizens lives that are the least brutish and short are those where the government is a humble one, leaving alone what can be left alone and intervening only on the basis of legal equality. Like ecosystems, societies are not particularly fragile but, also like ecosystems, it only requires sufficient arrogance to make a mess of them.

Liberty-loving driers could no more have been an entity without their philosophy than the communists could have existed without theirs. However, the voices in the air that challenge them warn of the frenzies of madmen in authority and proscribe rather than prescribe. Holding out no vision of Utopia, drier philosophy may be boring, but dangerous it is not. The enmity that driers attract derives entirely from their consistent proscription of privilege.

John Hyde is a Senior Fellow with the IPA.

I P A

Musing... **The Future of Unionism**

MICHAEL WARBY

Mike Nahan and I recently met with Joe de Bruyn, Vice-President of the ACTU and National Secretary, Shop Distributive and Allied Employees Association (SDAEA).

Less than 20 per cent of private-sector employees are union members: since 1990, the number of private-sector union members has fallen by 22 per cent, in the retail trade by 13 per cent. There has been a lot of comment about the difficulty that the union movement has had in attracting female workers, young workers and part-time or casual workers, yet 65 per cent of the SDAEA membership is female, 60 per cent is under 25, 80 per cent work part-time or casual.

The SDAEA's policy on casualization is surely the sensible one: if members want to work casual, that's fine; if they would prefer more permanent status, the union will work to get that for them. This contrasts with a least one major union which seeks to eliminate all casual positions.

Joe de Bruyn has been with the union for over 27 years and is up for re-election every four years. Talking to him, the focus on providing services for the members is very clear. This extends to the industry super-annuation fund being banned from direct investment in the retail industry, which eliminates misuse of the funds for industrial purposes.

The SDAEA shows that a service-oriented union can appeal to female, young, part-time and casual workers. Joe de Bruyn speaks for the future of unionism.

Michael Warby is a Fellow of the Institute of Public Affairs and a former workplace delegate.

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