



CHINA SHOP

A Modest Proposal

Someone asked me the other day whether I believe in a 'free market economy'. I've been getting a little tired of the usual, obvious answer to this question, so I came up with a new one. What we really need, I said, is a free market in economists. This is a simple proposition which would add immeasurably to the common wealth if implemented. Since it is consistent with their doctrines, I expect a stampede of support for it from our 'economic rationalists'. In fact, it is a proposal so rational I can't imagine why they haven't thought of it themselves.

It works like this. First, we remove all restrictions on immigration for economists. In economic terms restrictive immigration practices are really only a form of protectionism anyway, so I can see no problem with this. Then we put all economists on one-year contracts. At the end of the year all such positions are advertised internationally. The positions are given to the best qualified candidates who will do it for the

least amount of money. Think of the savings! There must be thousands of economists around the world who would gladly work in our universities for less than the award rates. As for the exorbitant salaries the private sector pays its economists, surely these could be halved at least.

It may be possible eventually to dispense with the expensive business of producing our own economists altogether. There are countries with an obvious comparative advantage over Australia in the production of economists, such as India and Hong Kong. Both have good universities where English is widely spoken. Surely it would not be difficult for them to produce good economists for the Australian market. Local economists would have to match the prices offered by foreign competitors or get out of the market.

Naturally, one feels a twinge of compassion for all those economists who will join our manufacturing workers on the dole queues, but we need not shed too many tears. The market will provide for them. They won't feel as bad about it as the rest of us would, either. All they have to do is keep filling in the forms and pray for the invisible hand to find them something productive to do.

This is only the simple version of the scheme. Even more exciting is the idea of performance criteria for economists. Since economics seems these days to believe efficiency is all, let's design a quantitative measure of the efficiency of economists: an 'eco-rating'. Every economist in the land will get an eco-rating every quarter. Those who don't contribute to the efficiency of the economy at all will simply have their positions terminated. This way, a reduction in the overall number of economists can be

added to a reduction in their unit cost. If worked at maximum efficiency, there is no reason why a first-rate economist of the future couldn't do the job of two or three of our present, over-priced, over-protected economists. Exposing them to the brute force of market mechanisms will soon sort them out, as I'm sure they would agree.



It might be tempting to extend this policy to all kinds of intellectual workers right away, but this would be most unwise. Nobody else outside of Canberra actually has much faith in such a policy, and might take steps to oppose it. This would be fatal to what is, in any case, very much an experimental policy.

This brings me back to my original answer to the question: do I believe in a free market economy? Frankly, I don't believe in anything for which no examples can be given. Which is why I don't believe in unicorns, Big Foot, the tooth fairy or the free market. Being professionally sceptical doesn't mean I have a closed mind, however. This is why I think an experiment is in order, and I think economists themselves ought to be the guinea pig for it. In the great tradition of 19th century science, which in many other respects they still uphold, economists should experiment on themselves.

McKENZIE WARK teaches in communications at Macquarie University. Some of his best friends are economists.