From: Raven, J. (1995). *The New Wealth of Nations: A New Enquiry into the Nature and Origins of the Wealth of Nations and the Societal Learning Arrangements Needed for a Sustainable Society (pp.35-45)*. Unionville, New York: Royal Fireworks Press; Sudbury, Suffolk: Bloomfield Books.
Raven, J. (1995). *The New Wealth of Nations: A New Enquiry into the Nature and Origins of the Wealth of Nations and the Societal Learning Arrangements Needed for a Sustainable Society*. Unionville, New York: Royal Fireworks Press; Sudbury, Suffolk: Bloomfield Books. (Chapters 1 [which summarises the whole book], 4 ["Some Observations on Money"], and 17 [Summary of Parts I to III and overview of Part IV: The Way Forward] are available at www.npsnet.com/cdd/nwn.htm).

Chapter 3

Preliminary Observations on the Nature of Modern Societies, Wealth, and Wealth Creation

We live, it is said, in a market economy. Many of us are also convinced that market mechanisms are primarily responsible for producing our wealth, that wealth is mainly produced by the manufacturing industry, that money is somehow to be *equated* with wealth and does not merely provide its owner with a *claim* on it, and that monetary values have some kind of substantive reality which can be used as a basis on which to build policy. Later in this book we will re-examine some fundamental aspects of this faith in market processes.

In point of fact, governments control most of the spending in Western, so-called "market" economies. For example, in all countries of the European Union, on average about 45% of GNP is spent by central government - either directly, via Local Authorities, or through the European Commission itself[3.1]. A further 15% is raised and spent by Local Government, Quasi Autonomous National Government and Non Governmental Organisations (QUANGOs and NGOs), and other government-monitored and controlled authorities such as Water Boards. Another 15%, or thereabouts, is spent in ways decreed or encouraged by governments. Examples of the latter include compulsory employer contributions to pensions, holiday pay, and sick pay, requirements that employers maintain safety standards and control pollution, and insistence that they administer VAT and other expensive tax collection systems (e.g. PAYE) on behalf of the State. Individuals are subject to legislation which has a similar effect - requiring them to insure their cars and contribute to pension schemes, for example. Other ways in which governments control spending include grant and levy schemes designed to induce employers to do such things as provide training programmes for their employees or householders to install loft insulation. In return for grants, employers are led to spend much more of their own money in ways decided by governments. All of these are only examples: The point is that governments determine the spending of something like another 15% of GNP over and above that which they administer directly. Thus it emerges that, in total, central and local government, in some sense, control the spending of about 75% of GNP. One can argue over the precise figure, and one can argue about just how much control governments have over the spending of such things as "transfer" payments intended to take money from the rich and give it to the poor[3.2]. But, whatever the room for argument, these figures show that, in modern societies, *governments* and not individual consumers, determine the way in which most money is spent.

Of course, government priorities and actions are not solely, or even mainly, determined by the public interest. Janicke[3.3] has demonstrated that, since 1945, the actions of the West German government, for one, have been deliberately manipulated by powerful economic agents who repeatedly led that government to act in their interests while presenting a public interest rationale for its actions.

Although the figures cited above relate only to the European Union, there is every reason to believe that a careful examination would reveal a similar situation in the United States. As soon as one looks at the affairs of what appear to be private corporations one finds a large group of government grants, defence contracts, or purchases required to satisfy government mandates. Striking support for the suspicion comes from the fact that almost the entire difference in per-capita incomes between California and Ohio derives from the difference in government military spending. If Minnesota received the same military expenditures as Massachusetts it, too, would have full employment.

In fact Inkeles[3.4] has shown that the tendency is worldwide. He first demonstrates that the notion that there are such things as “modern” and “traditional” societies has some scientific basis and that the two are characterised by very different sets of attitudes. He identifies some of the factors which make for their social evolution. Societies are converging with respect to some of the features which are commonly associated with modernity, but not in others. There is, for example, marked convergence toward industrial production. One of the most important ways in which diversity is reducing is that all societies are becoming managed economies in which governments control the lives of their citizens. This is true whether their governments claim to be free market or socialist, whether they are military or civilian, and whether they hold office for shorter or longer periods of time. Some are more monolithic than others and some are better able than others to orchestrate communal action for the benefit of their populations, but the convergence on management remains.

Despite the obvious room for concern, this move toward public management of our economies has occurred, at least in part, for good reasons. Economies managed by the invisible hand of the marketplace gave us little control over the liveability of the urban environment, crime, the inequitable distribution of income, exploitation of the weak by the powerful, plague and disease, or environmental despoliation and pollution by producers or consumers. Market processes do not enable us to orchestrate action which relates to the *main* sources of quality of life and life satisfaction. As Lane[3.5] has shown, these have to do with quality of family life, friendship networks, and, above all, high quality *working* life - the opportunity to undertake tasks one is strongly motivated to carry out, to make a contribution to the improvement of society and other people’s quality of life, the opportunity to be creative, original, and exercise judgment and discretion. Societies governed by the invisible hand of the marketplace did not even offer the stability which is necessary to make planning possible. The immense social costs of dealing with the by-products of an industrial civilisation, providing the educational, highway, and regulatory infrastructure required for its effective operation, and providing for the unemployed and the aged, do not form part of the market economy *per se*. Market processes not only do not deliver such benefits, they drive down the quality of working life so that the commodities produced can be “competitive”. They destroy family life. They destroy the environment and the future.

Besides providing a context in which the market can “work” and correcting some of its grosser deficiencies, what have we actually been able to accomplish as a result of creating an administered world? We have been able to introduce complex water and sewerage systems, highway and transportation networks, and arrangements to control plague and disease. We have been able to formulate and enforce safety standards in building construction, food production, and the emission and disposal of some pollutants. We have enacted conservation legislation which is in the interests of at least a larger sector of the community than the owners of the organisations directly concerned - and sometimes even in the interests of the producers themselves (as is, at least to a small extent, the case with fishermen). Although it would not be possible for them to pursue these interests individually, it can be done collectively. We have been able to provide care for the sick, the elderly, the isolated, and the unemployed. We have, to some extent, reduced personal and regional disparities in income. We have dispersed employment and industry in a way which, to some degree, counters the centripetal tendency of large conurbations, thereby improving the quality of life of all. We have been able to fund research and development activities - the risks of which would have been altogether too great for individual firms to undertake. We have, to some extent, given employees - and other members of society - a greater say in the future of particular enterprises - a say which goes some way toward countering the otherwise dominant interests of the owners of capital. We have created tranches of public-sector employment offering higher quality of working life than typically found in competitive, private-sector organisations. And we have been able to create the conditions of security and the assurance of continuity which have made possible the kind of long-term planning and concern with the future that are so characteristic of modern societies both at individual and corporate levels.

We have also been able to implement agricultural policies which have produced unprecedented amounts of food, and industrial policies which have resulted in otherwise unimaginable advances in technology.

The increase in our agricultural production is almost entirely attributable to government-funded programmes of research, extensive advisory services, government-induced reform of land holdings, and government-induced introduction of fertilisers, production equipment, and marketing arrangements including the stimulation of demand for the finished products. It has been produced in part by the use of price guarantees to insulate farmers and consumers from the effects of potentially disastrous under- or over-production resulting from annual variations in weather conditions. It has been aided by non-tariff barriers to prevent the importation of processed foods from the Third World. And it results in part from arrangements to buy into "intervention" (which occasionally result in butter mountains and wine lakes when the policies are too effective) and from the introduction of marketing arrangements to dispose of surplus production.

Industrial development has likewise been heavily dependent on government-funded research and development (often from "defence" budgets), grants and levies, protection in the form of non-tariff barriers to permit research, manipulation of apparent costs and prices, and non-market intervention in the workings of other political economies. In fact, the existence and profitability of most firms in modern society is dependent on legislation mandating the activity: Pensions and insurance are only the most conspicuous examples. Psychological and educational testing firms are absolutely dependent on legislatively introduced arrangements which depend on tests for their functioning. Sales of safety and pollution control equipment develop hardly at all in response to consumer demand. Demand is almost entirely induced by legislation.

It emerges that governments can abdicate, but they cannot avoid, responsibility for public management. Whatever they do they will rightly be held accountable for their achievements in this area. When the management role is overtly rejected, governments find themselves forced by events to take a series of expedient decisions. Unfortunately, given their ideology, these must be taken without any serious consideration of their long-term consequences - let alone the public interest.

Governments can, of course, set about creating facades. These may be facades of concern with the public interest. Or they may be facades of concern with decentralisation and market processes behind which lurks an agenda of control for themselves or those who stand behind them.

But the fact is that, whether they like it or not, whether they admit it or not, whether they do it explicitly, openly and systematically or not, whether they claim to let market forces decide or not, governments are centrally concerned with public management. The questions we have to ask are: In whose interests are the decisions that are taken? In whose interests is the system working? In which ways is it working effectively and in which ways ineffectively?

It is important to recognise that it is not only politicians and public servants who have been deploying management skills to use information to gain greater and greater control over the economic, biological, geological, meterological, and social forces to which mankind was previously subject. The same has been true of corporations. As they have grown larger, they have come to rely less and less on the marketplace as a means of obtaining the best price and most continuous supply of materials and customers and more and more on explicit management of suppliers and governments, both at home and abroad. It is therefore not just in relation to the management of society as a whole that market rhetoric is inappropriate. It applies also to the actors in the so-called “market economy” itself.

Despite the potential abuses of social management, the solution to the problems briefly reviewed will require *more* effective management of the world economy in the public interest. It will require *international* management because the consequences of one country’s waste and neglect are visited on others. One country’s drug companies engage in unjustifiable marketing practices in another because the public service there is too small to adequately monitor research on the dangers, introduce appropriate legislation, and enforce that legislation. Ships registered in countries with minimal public services can operate without having to abide by public safety and employee-protection legislation and thus undercut the prices of those with greater social control. The opportunities for exploitation of lower standards elsewhere are virtually endless. Third World countries often lack building and safety regulations, welfare legislation, and legislation to control pesticides and drugs. They typically lack even the capacity to enforce what there is. The effects of these deficiencies are often exacerbated by the belief in those countries that they cannot have such legislation *until* they have become more wealthy and by the absence of pressure groups capable of translating such information as they have into legislation.

There is no question about the future growth of world management. The questions are whether it will be management in the *public* interest or merely management (in the interests of the privileged few) within the giant corporations that are already bigger than all but the largest countries of the world, whether it will address the issues which threaten the planet or hasten its collapse, and whether it will be *effective* management or result in more of the conspicuous self-strangulation stemming from current, inappropriate concepts of what “management” entails.

Only an extension of public management will give us control over international forces which have until now been beyond control. This is why the Brandt[3.6] and Brundtland[3.7] Reports have called for more intervention on a world scale.

The Defects of Public Management

Although we have deliberately emphasised some of the benefits of public management, there are much darker sides to the process. Too often what one society or group gains tends to be at the expense of another. The quest for central government action to control violence, exploitation, and destruction commonly has contrary effects. The lesson of history is that central governments commit acts of violence, expropriation, and exploitation on a scale which far exceeds any imaginable cumulative total of the individual crimes of this kind. Under the guise of acting in the public interest Stalins, Hitlers, Amins, Maos, Pol Pots, and Husseins have been able to orchestrate campaigns of mass extermination which even the worst drought could not equal. Although contributing less to the advancement of despots, the campaigns against Native Americans and the Vietnamese have been no less destructive. "National Debts" (interest payments on which form by far the largest component in public expenditure) have been mainly run up to finance wars and other campaigns of destruction. In such a context, faith in world government as a means of getting the Machiavellian and unscrupulous to behave seems misplaced.

More generally, despite the role the public service has played in creating the wealth of modern society, its contribution to the serious "economic" problems facing the globe should not be ignored. The blind operation of market forces is not mainly to blame. Governments and public servants have promoted the development of nuclear, chemical, and biological weapons and engaged in endless nefarious activities in the name of "creating conditions in which the market can work". While Adam Smith was right to underline the need to create appropriate conditions in which market mechanisms could work, he never envisaged the scale, power, and market dominance of modern organisations or the extent to which they would collude with and manipulate governments and international governmental organisations or set one national government against another to promote their own short-term interests. There can be no doubt that he would have objected in the strongest possible terms both to the policies which have been actively pursued in his name by individual governments and the IMF and to the failure of these same governments to tackle flagrant breaches of market "rules" - such as the Japanese funding all development work out of government funds, selling their products more cheaply abroad than at home, externalising basic research costs to the West, and buying up and closing down competitors. Market forces are, in reality, rarely allowed to take their course because that would have serious consequences for the powerful. Instead, highly interventionist "solutions" are imposed by political decree.

Most of the IMF's "solutions" to "problems" (which anyway often only exist in the minds of economists and statisticians) are imposed by political fiat. The "problems" to be tackled include, not the number of starving people or the quality of life, but highly suspect abstractions like balance of payments, the "money supply", or the imperative that "debtors" should "repay" notional "debts". These solutions to money-lenders' problems are not uncommonly imposed on the "debtors" (rather than on the "lenders" who have provided the "money" at such usurious rates) by overt or clandestine military action. The overall effect is achieved by an alliance between the IMF, Western governments, Western banks and the transnational corporations (which, for example, control 90% of world production of some commodities[3.8]). It is particularly notable that these Corporations typically step in to acquire the assets of Third World producers after these have been privatised at the behest of the IMF "in order to create conditions in which the market will work" or after these have been rendered unprofitable by changing interest rates or the effects of IMF policies which seem designed to force Third World countries to export minerals and commodities at below their true cost. The transnational corporations are themselves often only able to make these assets "viable" because the country concerned pays them a grant to avoid unemployment, because their "internal" international trading and pricing arrangements enable them to evade taxation, or because they, unlike the local firms they displaced, are able to secure loans at preferential interest rates or to obtain tax concessions.

The fate of the Brazilian computer industry provides an illustration. It grew to outsell transnational competition in 1985. Whereupon the US Under-Secretary of State was sent to Brazil to say that, if Brazil insisted on supplying its own internal market with computers instead of allowing IBM to do so, the US would retaliate against Brazilian steel, shoes, and agricultural products. Brazil ended up having to find enough dollars to both pay its "debts" and buy IBM computers.

Implications for Our Understanding of Wealth and Who Produces It

So far we have made some surprising discoveries. Among these are our findings that we already live in a largely managed world economy (albeit decidedly mismanaged by people other than those most commonly taken to be its managers) and that this management has conferred great benefits on some of us (if wreaking destitution, and even death, on others). We have seen that any solution to the problems which face us demands more effective worldwide management to secure the current and long-term public interest. In this section we will come to two further conclusions: First wealth is primarily a public, and not a private, commodity. Second, it is public servants, not industrialists, who are mainly responsible for producing most real wealth.

We may first note that people who live in unjust societies, in societies which do not care for the sick and the elderly, and in societies which do not protect their environments, would be prepared to pay a high price to do so. Many pay a high price to move to the West to avoid these conditions. People pay to live in aesthetic, beautiful, livable cities, to have access to music, art, literature, and know-how and to have jobs which permit them to grow. What is more, surveys[3.9] have shown that many members of our own society would be prepared to spend a higher proportion of their income on such public provision. In other words, the wealth of modern society inheres, not mainly in private goods, or even in public goods, but predominantly in public services. These services are not "consumption" or "a drain on wealth-creating activities". They are wealth. They are not things which one can only have *if* one is wealthy; their delivery generates, defines, even *constitutes*, wealth. More public activity providing better services in these areas would not be a drain on wealth. It would be wealth-creating activity[3.10].

Several things follow from these observations. First, the service sector, of which our society is so largely composed, is not to be understood as being concerned only with consumption. It is a quality-of-life-enhancing, wealth creating activity. Wealth is *not* "produced" by manufacturing industry and "spent" on services. One does not have to earn money by manufacturing before one can spend it on services. One does not have to have "wealth" (meaning money) *before* one can embark on quality of life enhancing activity. Wealth is a *product* of organised activity. If one requires money to organise wealth-creating activity, the printing of that money is something which has itself to be managed. (We shall see in the next chapter that the creation of the money in itself presents no problem[3.11].)

It follows that the people who contribute most to the production of wealth in modern society are our public servants. However, since that observation, like Galileo's observations about falling bodies, generates not only disbelief but outrage, it is necessary to dwell on it a little longer.

Clearly, public servants contribute directly to the production of wealth by carrying out research and development, by developing plans, by generating standards for products and working conditions, by enforcing standards, by designing roads and transportation systems, by controlling crime, by providing houses, by providing health care, by providing education and training, and, if we include some of our most successful nationalised services and industries, by directly producing goods and providing services.

But they also contribute indirectly. They determine prices through the structures of taxation, grants, and levies they implement. They establish non-tariff barriers to trade. They create conditions which stifle or encourage risk-taking and initiative. (They, for example, stifle initiative when they implement welfare legislation which leads people to behave in a degrading and de-skilling manner. They can release or curb initiative though the criteria they apply to applicants for grants, and in the activities they encourage when following up on the deployment of funds.)

It is important to note that public servants are of immense importance in creating wealth even in the more restricted sense of producing valuable goods. Products are valueless unless people can use them - and the potential to use them is often determined in large part by public servants. Thus, for example, a car is valueless unless one has fuel to put in it, roads on which to drive it, leisure in which to use it, and employment, shops, friends and areas of natural beauty to visit in it. Because they contribute to many of these provisions, public servants contribute greatly to wealth-creation even when the concept is restricted to the value of goods.

The absurdity of the distinction commonly made between public servants and other wealth producers may be underlined by considering in more detail the example given in the first chapter. A farmer who deploys his land, capital and chemicals more effectively in order to get his hens to lay more eggs is said to have created wealth. However, a public servant who introduces legislation which gets very many more farmers to deploy their resources more effectively to produce many more eggs is commonly regarded as a parasite. Public servants *do* get hens to lay vastly more eggs - that is what the EU's agricultural policy has at least in part been about. They take steps (such as demanding taxes) to redirect farmers' energies from subsistence farming to market-oriented farming, they consolidate land holdings so as to facilitate mechanisation, they man the laboratories which breed new strains of hens, they carry out research into egg laying - on foodstuffs, drugs, lighting conditions - they disseminate that information through a massive advisory service, they create new ("private enterprise") arrangements to get mechanical equipment and the feed required for production to farmers, they provide rural electrification and oil-distribution systems, they create new marketing arrangements, they advise farmers and intermediaries on new markets, they intervene in the market to force intermediaries not to take advantage of small farmers, they guarantee prices to protect farmers from the hazards of nature and over production, they create arrangements to buy into intervention, they manipulate taxes and grants to ensure that there is a market for farmers' products, and they create storage mechanisms to enhance the shelf-life of the product in both its natural and transformed (e.g. dried) state.

Few of these developments would have occurred as a result of the unaided operation of market mechanisms. The farmer becomes a cog in a machine. He is no more and no less important than a cog in a lathe or an intelligent "chip" in a computerised machine tool. Public servants design the machine tool, orchestrate the arrival of the necessary materials, drive (guide) the machine, and market the product. Without the slightest doubt, therefore, public servants, as a group, are the most important *producers* of wealth mankind has ever known. Our aim must be, not to get rid of them, but to find ways of getting them to act more effectively in the public interest.

In his book *Democratising the Wealth of Nations from New Money Sources and Profit Motives*, Turnbull[3.12] retains a traditional definition of private wealth and disparages public servants. He has important points to make: People's monetary worth - their private wealth - is very unevenly distributed; wealthy people make far more money from their wealth than from their labour; private wealth provides a balance which enables people to exercise independent power: If all monetary wealth is held by the state, people have no independent power. Turnbull discusses ways of democratising the ownership of monetary wealth. All of this is very worthwhile. Unfortunately, what we have shown here is that we cannot *own* the things which *primarily* determine the quality of our lives. As we have seen, these things include our ability to get satisfying work, the livability of our cities; the quality of our hospitals, art galleries, and schools, the quality of the organisations which generate and disseminate the information on which the operation of our society is so dependent, our freedom from crime, injury and disease, our freedom from impediment by other people's cars, the stability in our food supply, and the levels of ionisation and the global warming to which we are exposed. So the ownership issue, while important, and without in any way diminishing the value of Turnbull's work, is not the main issue. Our question must be: How can we influence and manage the forces which primarily determine the quality of our lives?

Why the Opposition to Public Management?

If public servants are such important creators of wealth, if what is needed is much more *effective* management of the world economy in the public interest, why is there so much opposition to public servants and public management?

A full discussion of the real and imaginary problems of the public service will be found in Part III. All that is needed here is an indication of some of the most widely articulated reasons for opposing public provision - although, as we will see, these are not, in fact, the main reasons why financial institutions and government seek to discredit the public service and promote privatisation[3.13] They include:

(i) The fact that people dislike being pushed around, or prevented from doing things, by faceless bureaucrats following rules which ignore individual circumstances.

(ii) The way in which rules adopted by the public service often require people to behave in demeaning ways.

(iii) The belief, carefully nurtured by private enterprise propaganda and the whole tenor of our media - not just advertising - that goods and services purchased through the private sector are of higher quality, offer better value for money, and are more suited to individual needs than those offered by the public service.

(iv) The belief that our current standard of living is attributable to the market mechanisms.

(v) Awareness of some of the problems which stem from overloaded government accompanied by a tendency to attribute these problems to management *per se* rather than to the particular model of centralised management and democracy we have adopted.
(vi) The public service's apparent inability to avoid the kind of blunder so thoroughly documented by Chapman[3.14] and scandals like the farmers' expropriation of billions of pounds from the Common Agricultural Policy Funds accompanied by suppression - or explaining away - of similar mistakes in "private" firms.
(vii) A vague awareness of much more basic problems with public provision - such as the fact that the so-called "educational" system is hardly at all about education but about legitimising the rationing of privilege, and the fact that the "health" service is, not a health service, but a *medical* service serving powerful interest groups - with the corollary that it has failed to consider and evaluate alternative (non-medical) ways of improving health (such as by improving agricultural policies or redesigning jobs, working arrangements, and urban-planning policy).
(viii) Observation of the difficulties involved in preventing public sector employees, such as miners, holding the country to ransom.
(ix) Experience of frustration at inability to get public servants to take action in relation to obvious defects in the system and act on the many good ideas which exist for better ways of doing things.

Some of these beliefs stem from misunderstandings and oversights. Some are deliberately nurtured. Still others stem from inappropriate management practices. The primary purpose of the later chapters of this book is to examine what lies behind some of these beliefs and experiences and suggest ways of overcoming the difficulties. What we need to note here is that, whether real or fallacious, these beliefs lead to carefully orchestrated attacks on the public sector at home and to policies which destroy public services abroad. The attacks on the public sector abroad not only result in there being no infrastructure within Third World countries to manufacture genuine wealth. They also result in there being no way of controlling the exploitation of those countries by the TNCs and no infrastructure to control polluting industries - or even an awareness of the need to do so. In due course, this rebounds on the Western world in the shape of pesticide-ridden and contaminated food products and disease.

It would be a mistake, however, to conclude this section on too negative a note. Although public management suffers from endless real (and imaginary) problems there is also widespread awareness of many of the problems of *private* provision. Many people are aware that private provision often means *worse* provision: In health care (lacking in coverage and availability), housing, environmental design, insurance, and entertainment (television). There is also widespread awareness of the fact that privatisation of provision often results in degrading treatment of employees - as in the case of school and hospital cleaners. The myths of privatisation will be discussed in Chapter 5.

Summary

In this chapter, we have seen that the society in which we are living cannot meaningfully be described as a "market economy". Nor is it a managed economy in the sense of having either a monolithic management structure or effective management in the public interest. Our society is in fact managed by many sub-groups who seek to manage it in their own interests, the most important groups being the TNCs and the banks. The result is often bad management, especially from a public interest standpoint. Nevertheless, this managed economy has conferred huge benefits on at least some sectors of humankind.

We have also seen that wealth is not to be equated with money and that, in modern society, wealth is mainly in public domain. We cannot purchase many of the components of high quality of life as individuals: they are dependent on collective provision.

Public servants turn out to be key actors in the process of wealth creation. More - and more effective - (not less) public management is required to tackle the problems which confront us.

We have also looked briefly at sources of opposition to public management. We saw that many of the difficulties stem from inappropriate concepts of what management entails.

What we will argue is that, if we are to find a way forward, the first need is for public servants to do much more to release public energy to create a pervasive climate of innovation. The problems we face are multiple, interlocked, and intractable. Much creativity is required if this Gordian Knot is to be cut. Second, there is a need to establish better mechanisms to ensure that public servants initiate the collection of, sift, and act on information in an innovative way in the long-term public interest.

Although one of the main purposes of this book is to discuss the arrangements which are needed to do these things it is important, before doing so, to demonstrate more thoroughly the futility of looking for a solution through market and price mechanisms. This discussion will occupy us in chapters 4-12.

Notes

3.1 I am deeply grateful to Michael Ross of the ESRI in Dublin for drawing this information to my attention after one of our seminars on *Civic Culture in Ireland*. It was one of a small number of interventions which changed my thinking and life's work.
3.2 Some people argue that those who are living mainly or in part on state benefits are free to spend this money as they themselves choose, and not in a way determined by government. Many of the recipients, however, make it clear that the public servants dispensing the money mainly determine how it can be spent.
3.3 Janicke, 1990
3.4 Inkeles, 1981
3.5 Lane, 1991
3.6 Brandt Report, 1980
3.7 Brundtland Report, 1987
3.8 United Nations, 1985
3.9 See, for example, *The Economist*, October 8th, 1983; Raven, 1980.
3.10 As much as 50% of such services are actually provided by family members, friends and the general community. While this reinforces the argument presented here in that wealth is primarily in the public domain it also underlines the inadequacy of economic indicators as indices of the quality of life (wealth) and the inability of market mechanisms to deliver wealth. In pre-monetarised societies most of these services were provided by the community as a whole. One of the central problems we now face is to find alternative ways of orchestrating such community-based processes.
3.11 Although there has been a dramatic shift from "manufacturing" to "services" over the past 40 years, the proportion of the population employed in offering direct services to the public - as in park-keeping, medicine, etc. - has actually declined. Most of the increase is in services to industry and distribution - transportation of goods, accounting, development of computer software, etc.
3.12 Turnbull, 1975
3.13 Still less are they the main socio-economic forces driving the privatisation process.
3.14 Chapman, 1979