

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*

John Raven

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Many people instinctively feel that there is something seriously wrong with privatization and the market mechanism more generally. However, they also acknowledge that there are acute problems with public management.

This book assembles, often alarming, evidence supporting these views. Things are very much worse than most of us suspected.

But the book's main contribution is its discussion of the way forward.

Problems with current definitions of *wealth* and the market mechanism

The first third of the book deals with the nature and production of wealth. It emerges that market processes - which were proposed as the information-handling mechanism *par excellence* - do not engage with, and cannot engage with, a great deal of important information - such as that relating to sustainability. Nor can one, through the market, purchase the things which most importantly determine quality of life and happiness, for these include high quality *working* life and security for the future. Nor does GNP provide a meaningful index of quality of life - i.e. genuine societal wealth.

Problems with public provision

The second third of the book documents the ineffectiveness of public management, in the process revealing unsuspected reasons for its failure. One example is the way in which the educational system generally fails to identify or develop people's most important talents or those required to function effectively at work and in society more generally. Another is that our present health care system rarely promotes the reforms of living and working arrangements that are most needed if the health of the nation is to be improved. Environmental policy does little to stop the destruction of the seas, the soils, the atmosphere, or biodiversity.

Reasons for the failure of public provision

The problem is not simply that current forms of public management *do* not work well. They *cannot* work well.

Their form has changed little as government has come to play an ever-increasing role in the management of society. Currently, governments, directly or indirectly, control the spending of some 75% of GNP. It is impossible for any small group of elected representatives to supervise such a huge volume of activity effectively. Equally inappropriate in such a context are most people's beliefs about the role of public servants and how the public service should be run.

The way forward: Creation of a genuine learning society

The need is for free-flowing, organic, experimentation in the context of proper arrangements for learning from the effects of action and modifying behavior accordingly. It will therefore be necessary to find better ways of inducing public servants to create a ferment of innovation designed to find ways of tackling the multiply-determined and interlinked problems which confront us. We need arrangements which will lead them to seek out, and act on, information in an innovative way in the long-term public interest. We need much more experimentation, the deliberate creation of variety and choice, and evaluation of, and information about, the consequences of the options.

The implication is that there is a need for much more network working within the public service itself and a need to make network-based, rather than hierarchical, arrangements for supervising their work.

New societal management arrangements of central importance

From time to time over the past 50 years, writers and thinkers have stumbled on the importance of such things as open government, participative democracy, and the need to radically change our way of life - including our arrangements for production, distribution, banking, social security, and trade with the Third World.

But these concerns have remained on the periphery.

This book demonstrates that they should have been at the centre of attention.

Its author makes a series of individually realistic recommendations which, if implemented in a step-wise manner, would result in the transformations of society which are so deeply and widely desired.

... gets me up early to read more

... a great text – really inspirational.

Jack Whitehead

A fascinating read!

Caroline Sheard

So shocking I decided to base a seminar on it.

Josef Zelger

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CONTENTS

Chapter 1: Introduction and Overview.

PART I

THE MODERN WORLD: A STOCKTAKING

Chapter 2: The State of the World: The Environment, Population, International Debt and Interest, and the Social Fabric.

PART II

THE NATURE OF THE MODERN POLITICAL ECONOMY AND A CRITIQUE OF MARKET THEORY

Chapter 3: Preliminary Observations on the Nature of Modern Societies, Wealth, and Wealth Creation.

Chapter 4: Some Observations on Money.

Chapter 5: Some Observations on Prices.

Chapter 6: The Marketplace and Classic Economic Indicators.

Chapter 7: Manufacturing, Wealth, Money, and Management.

Chapter 8: Our Misplaced Faith in Market Processes.

Chapter 9: Privatisation.

Chapter 10: The Covert Reasons for Privatisation.

Chapter 11: Has There Been a Conspiracy?

Chapter 12: Critique of Market Theory and Practice: Conclusion.

PART III

EVALUATION OF CURRENT SOCIETAL MANAGEMENT ARRANGEMENTS

Chapter 13: Perceptions of Public-Sector Management.

Chapter 14: Case Studies of Public Provision.

Chapter 15: Obstacles to the Effectiveness of the Public Services.

Chapter 16: Adequacy of Democracy.

PART IV

THE WAY FORWARD

Chapter 17: The Critique Summarised and an Introduction to, and Overview of, Part IV: The Way Forward.

Chapter 18: Alternative Scenarios for the Way Forward.

Chapter 19: Running Modern Society Effectively: An Overview.

Chapter 20: Using Systems Diagrams to Guide Social Action.

Chapter 21: Creating a Pervasive Climate of Innovation.

Chapter 22: Public Participation and Network Management.

Chapter 23: A New Understanding of Democracy.

Chapter 24: Arrangements for Policy Evaluation and Improvement.

Chapter 25: Summary.

Chapter 26: Practical Implications.

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