

Draft Wikipedia entries for insertion into
Sustainability
and to create new entry on
Public Management

These may have been substantially modified by other contributors to the Wikipedia.

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This is a draft Wikipedia entry for comment. Actually, it is two entries. The first is a proposed entry on *Public Management* to be inserted into the Wikipedia *Sustainability* entry. The second a proposed, new, (linked) main page entry on *Public Management*.

Proposed "Public Management" entry to be included in Sustainability entry.

As has been shown, there has, for many years, been ample evidence that, if our species is to survive, we need pervasive and radical change in the way we live. The necessary changes involve, among other things, getting rid of our cars, our planes, our so-called "defense" systems, our chemical- and energy-intensive agriculture, and most of our employment --- the production and marketing of junk food, junk toys, junk insurance, junk security and so on. Although the extent of the necessary changes is rarely spelt out in the research which demonstrates the need for them, and, according to Trainer (1990), is effectively fudged in the Bruntland Report LINK, it is surprisingly well known to the general population (see, for example, Nelson et al, 1986; Yankelovich et al, 1983).

One reason why these implications have rarely been spelt out may be that some politicians fear that public reaction will jeopardize their chances of getting elected and therefore their chances of doing something about them. (A rift between those who wished to tell what they knew and those who knew but did not wish to tell until they were elected at one time did serious harm to the German Green Party.) Although it is possible that Marks et al's (2006) demonstration that some societies can and do currently offer long and high quality of life in a sustainable way may change the political situation such tensions amount to but one strand in a network of reasons for believing that there is a need for much fundamental change in the way we manage society.

At this point attention may be drawn to the fact that public support for these changes undermines the view (put forward elsewhere in this entry but also widely echoed in publications on sustainability) that the most fundamental requirement for moving forward is values change. What these results suggest is that the values are OK. What is needed is the means to implement them – which seems to imply a better understanding of the barriers to doing so.

The accumulating evidence of the need for change in the way we live has given rise to numerous “manifestos for change”, such as the New Economics Foundation’s (2004) publication: *A Well-being Manifesto for a Flourishing Society*. Most of these Manifestos call on Governments to do things. The difficulty this poses may be illustrated from a comment Ekins (1986) made in the concluding chapter to *The Living Economy* (in which numerous authors [who had contributed to many Alternative Economic Summits] had not only documented the need for the kind of changes that have been mentioned but also offered many suggestions for ways of moving forward). Somewhat paraphrased, Ekins’ comment was: “Clearly, there are plenty of good ideas for ways of moving forward - if only our leaders would listen”.

And therein lies the fundamental problem, for it assumes that our current politico-bureaucratic arrangements will somehow work, somehow translate information into effect, somehow respond effectively to widely held views.

Despite widespread disillusion with current public management arrangements (it would be appreciated if a reader would insert a good current reference – John Dean 2006 refers to the issue but there must be more some original surveys), the assumption that they will somehow work remains the implicit assumption made by endless conference speakers pointing to horrendous injustices and destructive practices. Thus, for example, virtually all the 100+ high level speakers who addressed the “G8 Alternatives” conference in Edinburgh at the time of the G8 meeting in Scotland in 2005 simply highlighted one serious injustice after another and implicitly assumed that, if they made enough noise about it, our “leaders” would attend to it. Hardly anyone addressed the central question of how to come up with alternative arrangements to those currently pursued by the G8 for running the world.

Actually, the question of how to move toward a sustainable society points to one more basic consideration which needs to be taken into account in any quest for new public management arrangements.

Taken together, the changes which need to be made if our species and the planet as we know it are to survive suggest that, to be sustainable, society will have to be as different from our society as agricultural society was from hunter-gatherer society. And, just as no one in a hunter gatherer society could envisage what an agricultural society would look like, so no one in our society can envisage what a sustainable society would look like. There can be no centrally generated blueprint. So the need is to create a societal management system which experiments, innovates, and learns without anyone having to know anything very much.

While this may appear to be inherently impossible, the question of how to do it was central to the work of how to it lay at the heart of the work of Adam Smith (LINK) and Frederich Hayek (LINK). As both of them – and Mill (LINK) – noted, centralized government decision taking cannot amount to anything other than decisions by “committees of ignoramuses”. This is because most of the information that should be taken into account cannot be known to any one person (or any committee) but is, in fact,

widely dispersed in the heads, hearts, and hands of billions of people. (Hearts and hands are included because most of the information has never been – and cannot be – verbalized.) Smith and Hayek proposed “the market mechanism” as a means of handling this fact. Unfortunately, as is shown in the main entry on *Public Management* LINK, that solution does not, and cannot, work. The question is: “What is an alternative answer to Smith and Hayek’s fundamental question?”

Proposed Main Page on *Public Management*

Preliminary Comments

Preparation of this page was precipitated by the observation that, as it stood, the main Wikipedia entry on Sustainability LINK more or less ended up with a “Sustainability Manifesto” calling on governments to “do something”. Given that, as shown in the short section on Public Management which has now been inserted there and in a great deal of other material to be summarized below, it is highly unlikely that governments will do these things, it seemed desirable to prepare to prepare a major entry on the limitations of current public management arrangements and discussing the bases on which more effective arrangements might be built. Yet this task is fraught with difficulties.

First, none of the current Wikipedia entries on “democracy”, “governance”, “market management” (for which there is currently no entry at all), “Adam Smith”, and “Frederich Hayek” (INSERT LINKS FOR ALL) seriously address the limitations of what are currently viewed as the two main alternative ways of managing society effectively – namely representative democracy and the marketplace. (And, in connection with the second, it is notable that the current Wikipedia entries for neither Smith LINK nor Hayek LINK present their reasons for advocating the market mechanism or how it was/is supposed to work.)

Second, it follows from what has been said about the lack of attention to the topic that it will not be possible to cite a great deal of previous literature offering perspectives on the way forward. As Elliot Jaques (1976, 1989) noted, while there are endless publications on how to hold subordinates accountable to their leaders, there are very few on how to hold leaders accountable to their followers. (Despite the pertinence of this observation, it may be noted in passing that this formulation implicitly endorses hierarchical management arrangements and that, as Bookchin LINK (2006) has noted, these hierarchical arrangements may actually be at the root of the problem.) Even the journal “The Good Society” set up by the *Committee on the Political Economy of the Good Society* has come up with relatively few articles which relate directly to this theme despite the fact that its goal is “to promote serious and sustained inquiry into innovative institutional designs for a good society (because it has been realized) that many of the major problems facing today's societies reflect existing political and economic structures and cannot be resolved without significant changes to these underlying institutional arrangements”.

Thirdly, most of the population (including most of those who addressed the “G8 Alternatives” summit in Edinburgh in the summer of 2005) assumed that our leaders are people of goodwill who will be predisposed to act on information in the long term public interest. Indeed, most people seem to have an inordinate predisposition to think well of their leaders (who, as Hogan et al 1990, 2006 has noted, are best described as “dominators”), despite endless evidence to the contrary – witness the continuing faith in some of our current leaders and the way in which Tricky Dick Nixon remained high in public esteem right to the end and the material assembled by Michael Moore [LINK](#) (2004) and John W. Dean [LINK?](#) (2006).

Yet Hogan et al (1990) have demonstrated (in *The Dark Side of Charisma*) that the *majority* of those who rise to positions of authority in most organizations act in ways which contribute to the destruction of their organizations and those who work in them, doing so for the sake of personal gain. Others, such as Dean and a BBC program on Kissinger (2006), have demonstrated that the same process operates even more strongly at the political level.

It follows from these observations that any attempt to generate an acceptable entry on public management risks foundering on one of two things: first, the accusation of reporting “original research” and, second, the danger of incurring the wrath of readers for challenging comfortable assumptions (cf readers’ reactions to entry on the Kinsey Report [LINK](#) and the problems encountered by the entry on Race and Intelligence [LINK](#)).

Introduction

Preparation of this page was prompted by the conspicuous inability of our society to take the kinds of action (highlighted in the entry on Sustainability [LINK](#)) that are needed if our species is to survive. These observations will not be repeated here; readers should therefore review what was said in the Sustainability [LINK](#) entry about the importance of evolving new forms of public management.

Problems posed by current Politico-Bureaucratic arrangements.

Inability to stem the rise of power-hungry dominators.

Perhaps the most conspicuous evidence of the inadequacy of representative democracy comes from their inability to stem the rise of seriously destructive individuals like Kissinger, Mugabe, Hitler, Stalin, and Mao (among whom some would like to include Mr. Bush). Of course, it can be argued that what is responsible for many societies’ inability to stem the rise of such individuals is not so much the inadequacy of their formal politico-bureaucratic (including military) structures as their failure to develop “modern” forms of citizenship of the kind discussed by such authors as Verba (1971) and Inkeles (1974). Unfortunately, as Hogan (1990, 2006) and others have shown, conspicuously destructive “leaders” of the kind mentioned are but the tip of an iceberg. The problem pervades very many organizations. This prompts two complementary thoughts: 1. “How can such potential dominators (who are mostly highly charismatic) be spotted and

weeded out before they can do so much damage?" and (2) "How are we to understand, map, and intervene in the network of social processes which leads to the selection and promotion of such individuals?" (While the latter would seem to identify a central task for those working in the field of sociocybernetics LINK, many anarchists LINK like Murray Bookchin LINK argue that dealing with the problem involves nothing less than exorcising hierarchical organization itself.)

Inability to stem world domination by International Capitalism.

It is often argued that the rise and rise of international capitalism is due to the operation of market processes. Yet others have noted that this appears to be a convenient mythology promulgated by those who in fact run the world using money (backed by legal and military force) as a tool of management.

In the next few paragraphs the way in which money is created [so that it now amounts to more than 50 times annual world production (See Ekins, 1986; Roberts, 1984; George 1988), and thus undermines the basis of virtually all economic calculations] will first be described. Thereafter we will discuss the way in which the banks which own the US Federal Reserve Bank (LINK) contribute disproportionately to this process and then use it to control the IMF (LINK) and, through it, and its sister organization The World Trade Organization (WTO) (LINK), the "economic" activities of most countries.

The Creation of Money.

Within most countries, banks can legally lend up to 9 times their assets and deposits (See Fractional Banking LINK). They do this by creating "fictional" money by making ledger entries (see eg Institute for Economic Democracy, 1982). Most of the money "lent" does not exist before the loan is made and does not have to be withdrawn from any other potentially profitable activity. It does not depend on investors' "savings". (The notion that it does is a convenient myth which helps to legitimize the process.) But while it is true that one ninth of some lending must ostensibly "exist" prior to a loan being made, this apparent control on lending is virtually meaningless. This is because the money a bank lends to one customer shortly shows up as money or assets in the account of someone else, and thus provides the basis for another round of lending. As a result, the money available for lending is virtually limitless. Even the money required to purchase bank property and buy gold is created in this way.

But the notion that bank lending is subject to at least some sort of control is actually too comfortable. For, when banks lend outwith national jurisdictions - and the point is particularly important in connection with their "lending" to Third World countries - there is no requirement that even a proportion of the money come from nominal assets and deposits. Thus *none* of the money "lent" to Third World countries comes out of anyone's pockets - least of all the citizens of those countries.

But even this is not the end of the story because most of the money "lent" to the Third World promptly finds its way back into the Western bank accounts - either of those who have sold goods (usually armaments) and services to the "borrower", or the private bank

accounts of the rulers, politicians, or public servants of the country to whom the money has been “lent”. Either way, the money provides a justification for a further round of lending both internally and internationally by Western banks. Defaults on "interest" payments on these loans of entirely fictional money are also used by the banks (largely via demands of the International Monetary Fund (IMF) LINK) to justify a swathe of acquisitions of “debtors” assets. This further swells the "assets" of the banks - this time with "real", appreciating, assets.

Most readers will by now be in a state of shock. But we *still* haven't finished the story, for we must now examine the role of the American Federal Reserve Bank LINK.

This is not the place to go into the mechanism whereby the Federal Reserve Bank buys US government bonds with money created through the process just described and thereby traps the US government into a pincer-like position. But, in the context of a discussion of the inability of governments to control their economies, it is of more than passing interest to note that, contrary to popular opinion, the US Federal Reserve Bank is not a public entity but, like most National banks, privately owned. Further, that these owners are not necessarily American but include the Rothschild Banks of London and Berlin; Lazard Brothers Banks of Paris; Israel Moses Seif Banks of Italy; and the Warburg Bank of Hamburg and Amsterdam. Further, the main owners of many of these apparently independent banks are Rothschilds and their relatives, amounting to not more than 300 people in all.

Not only do these banks control the Federal Reserve bank, the 1980 Monetary Control Act in the US (pushed through at the behest of the Federal Reserve System) *brings all other depository institutions under their control*. In this way the small committee representing these 300 people who mainly own the banks comprising the Federal Reserve Bank control the whole banking system of the US and, as Roberts (1984) and Adelman (1989) have documented, the central banks of most other countries too.

And now for the World Bank and IMF.

The main “investor” in the World Bank is, of course, the American Government. But, given what we have seen, just how independent is that?

The Bank, of course, lends (fictitious) money for “development” purposes. Yet, to demonstrate that they take the matter seriously, recipient countries are frequently asked to match the loan with their own currency.

And *then* what happens? Most (some 95%) of the *total* – ie more than was ever “lent” - almost immediately comes (back?) to the West as payments to buy Western goods (mainly armaments) or for the services of Western consultants or via the private bank accounts of politicians, company directors, and public servants (George, 1988; Hancock, 1991).

In the end it emerges that, far from there being a huge “Third world debt”, there is an enormous, and ever increasing, debt of the West to the Third World.

The International Monetary Fund (IMF)

The effects of this process are then exacerbated by the interventions of the IMF – which are billed as conditionalities for “helping” the countries concerned handle their financial problems. (See Susan George *A Fate Worse than Debt* and Perkins *Confessions of an Economic Hit Man*.) While the general impression created by the IMF is usually that the general populations of these countries have been living profligately, what has mostly happened is that their rulers have responded to the sales personnel of Western armament manufacturers (see eg Hancock, 1991). These country’s taxes have then been diverted from useful activities to paying “interest” on the money “borrowed” to make these purchases. The conditionalities for “rescue” from the state to which this reduces them require them, among other things, to run down their public management systems, disband their social security systems, privatize their health-care systems, orchestrate below-cost exports of foods and commodities, sell their national industries, and, to add insult to injury, to subsidize the new TNC owners of the privatized businesses “so that they can become competitive and create jobs” (see e.g. George and Hancock).

International on Trade Agreements and the World Trade Organization

Hand in hand with the previously mentioned developments there has grown up a network of interlinked, and often secret, international Agreements. The most talked about of these are perhaps the General Agreement on Trade and Tariffs, succeeded by the General Agreement on Trade and Services, and the World Trade Organization. However, there are also many other Agreements like the North American Free Trade Agreement and yet others promoted under the auspices of organizations like the OECD. Once again, it would be inappropriate here to attempt to go into these in any detail. What it is important to do is to provide a glimpse of the nested set of developments which constrain the activities of National and Local governments, not to mention local communities.

One example is the way in which the GATS denies farmers the right to trade in seeds whose genetic codes have not been registered. This, on the one hand, routes all such trade to the Trans National Corporations (TNCs). But, more seriously, on the other, destroys centuries of careful observational work breeding seeds to fit ecological niches. The planet becomes dependent on monocultures which in turn depend for their viability on TNC-produced fertilizers and pesticides.

More generally, the Agreement:

1. Transfers further rights to determine their own future from citizens and national governments to unaccountable multinational companies. Thus it has become illegal for anyone in countries that have signed up to the Agreement taken together with others to which it is linked (which includes most countries of the world) for anyone to say anything which might damage the future profitability of a company ...even when the information is true. One example of the use of these Agreements resulted in the Canadian government being fined billions of dollars for revealing that a corporation

operating within its jurisdiction was not only releasing environmentally damaging toxins in the course of manufacture but that the product itself continued to have such environmentally damaging effects.

2. Gives the TNCs unrestricted access to the markets and natural resources of the countries concerned for a period of not less than 20 years from the date of signature. Thus it has become “illegal” for National or Local Governments to pass legislation to preserve forests, fisheries, or natural resources or to introduce legislation to restrict capital flows or favor local employment.

By now, some readers may, like Galbraith (1991), find themselves wondering just how all this balances out. Are the powers of National Governments “constrained” by all this legislation ... or are they, wittingly or unwittingly, acting as agents *for* international capitalism?

National Governments and the TNCs

But, if bankers and financiers can run rings round national governments so do individual companies. On the one hand they do this by, for example, shipping physical goods, and the apparent location of service agencies, around the world, not only in such a way as to exploit cheap labor but also in such a way that profits are made in countries where taxation rates are low (see writers in Ekins and also Janicke, 1990).

On the other hand, they intervene directly in the legislative process. Janicke has shown how every single piece of legislation that the German parliament tried to introduce since the second world war to protect the public was corrupted into its opposite before it even reached the statute book. Grossman and Adams (1993) have shown that, for more than a century, similar processes have operated in the US and, by both fair means and foul, almost all extant legislation designed to protect the public and the environment by preserving clean air and protecting against the destruction of the livability and visual amenity of the general environment by “productive” filth, and the environment more generally from attack, by *defining* private profits as the only public benefit or disbenefit that can be considered in law. (See also Galbraith LINK, 1991; Chomsky LINK 1989, 1993). What is remarkable, however, (and some may wish to read more into the findings than will be said here) both Triebwasser (2000) and Ollman (2001) have shown that references to such interventions have been systematically removed from the main American textbooks on political science and government over the course of the past 60 years.

Western Domination.

Quite apart from this indirect intervention, Western governments frequently intervene in the affairs of other countries to promote the interests of their own companies. This is often done through the Secret Services – such as the CIA LINK (and readers are advised to look at the discussion there) (See also the work of such authors as Chomsky LINK, 1989, 1993; Galbraith LINK, 1991; and Etzioni LINK?, 1991) - but it is also

accomplished through “aid” agencies (see Chomsky, 1993; Curtis, 2003; Hancock, 1991; Schweizer, 1994; Monbiot, 2000).

How has all this come about?

It is often thought that these developments arise from some basic human predisposition to dominate, but, as will be seen in the next section, it is at least possible that they should instead be attributed to the operation of poorly understood sociocybernetic LINK processes. (Marx LINK [1886/1908] of course set out to document these on a rather grander scale than will be attempted here. However, no critique of his work will be attempted here except to say that it can hardly be described as an attempt to map the *multiple* feedback loops and interactions that are involved but, instead, became concerned with a single process. And the name chosen for that process – Capitalism – has misled many. What he was referring to was a process going back thousands of years – not monetary capitalism of the kind discussed above ... and on which many of his disciples have focused. Simply getting rid of capitalists was seen to avail us hardly at all. Also, while it is true that, when he wrote, there might have been some hope of a new civilization arising from the ashes when capitalism – as he saw it – inevitably collapsed, it is now apparent (eg from the entry on sustainability LINK) that the death of capitalism will almost certainly bring with it the death of Gaia – the planet as we know it.)

The failure of well intentioned public policies.

It is commonly acknowledged that many public policies fail to deliver the intended benefits and this observation has fueled the widespread public support for the only widely advocated alternative – the market process (although, as many surveys such as that reported in *The Economist* at the height of Thatcherism [October 1983] have shown, support for this viewpoint is less widespread than is often assumed.)

The question of why public policies so often fail to deliver their intended benefits has been addressed by a number of researchers, such as Day and Klein (1987).

But perhaps the most interesting here are Raven’s studies of the educational system (see eg Raven, 1994). It emerges that some 80% of the population agree that its main goals include nurturing the diverse talents of the pupils and individual qualities like initiative. Yet schools rarely attend to these goals. And the system as a whole achieves its opposite. To all intents and purposes, it arranges people in a single hierarchy (misleadingly termed “ability”).

When one enquires into the reasons for this one finds layer upon layer of problems – such as a lack of understanding of how to nurture multiple talents – each of which on its own demands a major adventurous research program. But these problems do not operate independently to produce the overall result. They form part of a network, or system, of mutually supportive social forces (see sociocybernetics LINK). At the heart of this network lies a collection of seemingly dysfunctional beliefs about how public policy should work. These include a belief in hierarchy (ie public servants are there to do what

politicians tell them, not to create a variety of programs, arrange for their comprehensive evaluation, and feed that information to the public so that they can make informed choices between them) and an emphasis on equality rather than variety.

On the basis of these results, Raven claims that two sets of developments are needed to move forward. One involves study of the hidden social forces which determine the operation of society and human behavior more generally, viz. sociocybernetics LINK. The other has to do with rethinking our beliefs about the arrangements required for effective public management – a topic to which we will return after reviewing information on the benefits market management is supposed to deliver and its inadequacies.

Problems Inherent in “Democracy”.

Having cantered over what many regard as problems that more “democratic” public management arrangements would help us to rectify we may briefly note some problems that are inherent in representative democracy itself.

The problem of centralized planning

No small group of centralized planners can be aware of more than a fraction of the issues that should be taken into account when coming to a decision. For this reason, Adam Smith and John Stuart Mill LINK described these groups as “committees of ignoramus”. But, as will be shown in the next section, this is but the tip of an iceberg.

The unrepresentativeness of representatives

Emery (1974), among others, has documented just how dramatically elected representatives differ from those they claim to represent and how this differential is further exacerbated after election. Emery notes that one way out of this difficulty is to replace election by sortition LINK?.

The tyranny of the majority

Numerous writers have noted the problems that follow from the assumption that the majority has the right to impose its views on the minority. When this is compounded by what appears to be a basic human predisposition to believe that they have the right to impose their beliefs and behaviors on others (consider, for example, the imposition of one religious creed after another on others by torture or death, the recent persecution of homosexuals, and the current pillorisation of smokers [in contrast to those who drink, drive cars, travel in planes, or become obese) one has a recipe for disasters of immense proportions.

The tendency to arrive at decisions that no rational person could endorse.

Miller (1992) and others have shown that the need to forge a series of increasingly broad coalitions in order to arrive at a majority vote typically requires a series of compromises when end up with a decision that none of the participants would individually have endorsed.

The Management of Society via the “Market”.

Before embarking on a critique of the theory that management of society is best left to the market, let us first review the reasons why it was proposed and what it was intended to do.

Hayek LINK (1948) expressed it thus:

"The peculiar character of the problem of rational economic order is determined precisely by the fact that the knowledge of which we must make use never exists in concentrated or integrated form but solely in the dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess.

Practically every individual has some advantage over all others because he possesses unique information of which beneficial use might be made, but of which use can only be made if the decisions depending on it are left to him or are made with his active cooperation.

We cannot expect that (the public management problem) will be solved by first communicating all (relevant) knowledge to a central board which, after integrating all knowledge, issues its orders. We must solve it by some form of decentralisation".

It is clear from this quotation that the economic marketplace was envisaged as a means of coordinating and empowering dispersed *information*, weighting it according to its merit, and making it possible for multiple contradictory developments to emerge and be sifted through what was essentially an evolutionary process.

Adam Smith, in a sense, went further. He argued that there can be no such thing as a “wise” man or woman because the most important information required to take wise decisions *cannot* be available. If A initiates a course of action in location X, and, unknown to him, B initiates another set of activities in location Y, it is impossible to know what will happen as these two courses of action come together. Yet this is the key information required to take decisions about what is in the long term public interest.

Smith and Hayek proposed the “market mechanism” as a solution to this problem. It was envisaged as *a societal experimentation learning and management system which would act on information which was necessarily incomplete, dependent for its implications and effects on other changing information, and widely dispersed in the hearts, heads, and hands of billions of people. It would not only initiate action on the basis of such*

information but also learn from the effects of that action and take such further (corrective) action as necessary.

In the main, it was *the system* which learned, not the individuals within it.

What “the market” offered was a mechanism whereby, if people liked what A was doing, they could purchase his or her goods or services or invest in his or her enterprise. So, if they were doing the right things, both A’s and B’s enterprises would prosper and, as the results came together, previously unimaginable things would happen.

Note that the market mechanism as proposed was quintessentially a societal experimentation, learning, and management *system*. *It has no other raison d’être*. It neither endorses riches nor lauds money. It does not endorse a divided society. It was a means of giving power to information and designed to create a ferment of innovation and learning. As the outcomes of endless experiments merged goals which could never previously have been envisaged could be accomplished.

In short, society would innovate, experiment, and learn *without anyone involved having to know a great deal*. It would be decentralized, organic (with many feedback loops and potentialities), nonauthoritarian, and, like evolution itself, grossly *inefficient* in bureaucratic terms. It was the ultimate in participative democracy: Everyone involved could “vote with their pennies” independently on a myriad of issues instead of voting every five years or so for a package of issues or “wise” governors. It did not depend on intellectuals or explicit verbal knowledge. People could “vote” as their *feelings* told them.

The particular relevance of all this at this point in history is that the fundamental problem we face is that, for it to be sustainable, society will have to be as different from our society as agricultural society was from hunter-gatherer society. And, just as no one in a hunter-gatherer society could envisage what an agricultural society would look like so no one in our society can envisage what a sustainable society would look like. So the need is to create a system which experiments, innovates, and learns without anyone having to know anything very much.

Thus, at first sight, it looks as if the market mechanism is just what we need.

Unfortunately, the market mechanism does not and cannot work.

In the first place, it has turned out to be extremely difficult to get it to take account of, and respond to, huge amounts of vitally important information, such as all the evidence indicating that, as a species, we are headed to our own extinction carrying the planet as we know it with us. Hardin’s (1968) “tragedy of the commons” has proved endemic and pervasive.

Second, to exert influence in the system, one has to be a “worker”. This has driven large numbers of people – especially women – to join the system *despite the fact that*, as Robert E. Lane (1991) in particular has shown, *doing so lowers their quality of life*.

Worse, being a “worker” in modern society actually means becoming someone who, as most people know in their souls, carries out *useless* work – worse, work which is both personally and socially destructive. In the end, it turns out that the function of market mythology is to create and legitimise the creation of useless work and to carry out that work as *inefficiently* as possible.

Third, market processes do not, in fact, deliver a high quality of life, that is to say, genuine wealth. Lane and Marks et al (2006) have drawn together a great deal of research showing that quality of life depends on such things as security for the future, self-actualising work, networks of friends and support in one’s workplace, and low levels of stress. Such things cannot be commoditized and bought and sold individually and are therefore driven *down* by market processes.

Fourth, the marketplace does not reward (and therefore stimulate) the most important contributions to wealth-creation (however defined) because these come from the effects of actions taken by people who are long since dead and who got scarce rewards for their efforts, from collaborative research and planning activities carried out in the public sector, and from wives and husbands who provide love, psychotherapy, child-care, and other individual and social maintenance activity without being rewarded for their efforts.

In part because the quality of life depends primarily on *public* provision – on things which cannot be purchased individually – and on activities carried on *outside* the marketplace, the role of public management has continuously increased over the years until, at the present time (as will be shown later) the spending of something of the order of 75% of the GNP of Western societies is, in some sense, controlled by their governments. In other words, we do *not* live in market economies at all: We live in *managed* economies. This has many important implications. Among them is the impossibility of any small group of elected representatives directing or overseeing the workings of the governmental machine in any effective way because there is just too much of it. Another is that prices are primarily determined by public servants, and not by the cost or efficiency of land, labor, management, or capital (which “costs” are all primarily determined by public servants).

Instead, therefore, of having a marketplace which provides a societal management system, we live in a society in which the control of cash flows is used to orchestrate actions which have been decided through the politico-bureaucratic process (which happens to be mainly under the control of the TNCs).

We do not live in a society driven by market forces. We live in a society mainly driven by the decisions of international bankers, managers of the TNCs, and public servants, but, most importantly, controlled by mythologies which are every bit as important as those which we can so easily see bind together, and control the operation of, “primitive” societies. What generally passes unnoticed is that most public servants’ decisions and the mythologies which control us are largely nurtured and perpetuated by a handful of capitalists who profit from them every bit as much as the leaders of the churches in the middle ages profited from the mythologies they developed and perpetuated.

Fifth, neither money nor prices mean what most people think they stand for. Prices are primarily determined by an accretion of expedient decisions taken through the politico-bureaucratic process – not only in relation to taxation, grants, subsidies and the creation of infrastructure, but also in relation to such things as which costs are to be loaded onto particular producers and distributors and which spread over the whole community. (When these costs are re-calculated it turns out that the supposed efficiency of centralized production is yet another myth.)

Sixth, and it follows from what has already been said, most “customers” are not individuals voting with their pennies but people purchasing on behalf of vast organizations like school systems, health care systems, and defense alliances.

In concluding this section it is worth returning to our assertion that prices are mainly determined by public servants (whose decisions may in turn be influenced by the TNCs). In all countries of the EU about 45% of GNP is spent by national governments. This does not include local governments or expenditure channeled through quasi autonomous non governmental organizations within the government framework. When these are added on, the total comes to some 65%. And this still does not include the effects of government legislation requiring people to insure their cars and firms to provide pensions or install safety equipment. When these are added in, one comes to the conclusion that the spending of some 75% of GNP is in some sense under government control (although those governments, as we have seen, must in some sense be considered to be pawns of the TNCs). The other side of this coin is that, on average, some 65% of the nominal cost of most goods and services consists of taxation. So it is the accretion of public servants’ decisions over the years that primarily determines prices. One of the simplest indications of what is meant by this is that, if a government raises much of its income through direct taxation (such as VAT) and then deducts these taxes from the price of exports it creates cheap exports whilst clobbering imports from countries where taxes have been raised through eg income tax with high taxes. But, much more fundamentally, the apparent competitiveness of, say, supermarkets compared with local shops, depends on which costs are spread over the whole community and which loaded onto the particular actors in the system. Thus the owners of small shops have to contribute to the costs of the highway and airport structures on which supermarkets depend more heavily. In a similar vein they have to contribute to hospitals to care for those injured in accidents, police systems, refuse collection systems, recycling systems, and environmental protection systems, not to mention the costs of international politico-bureaucratic infrastructure to maintain eg the EU “quality control” apparatus.

So, in the end, if our species is to survive, there is no getting away from the need to come up with public management arrangements which work. As Bookchin LINK (1992) noted while discussing how Green economics might be distinguished from visions of a Green economy:

"The current celebration by writers such as Susan Meeker-Lowry of entrepreneurs who voice Green pieties within an economic system that makes a mockery of

their most well-meant ecological aims requires forceful criticism ... In the absence of a coherent critique that goes to the heart of the present ecological crisis ... we run the very real risk of slipping back into economic apologia, dressed up in formulas such as 'backyard revolution', 'steady-state economy', 'consumer responsibility' ... I do not wish to depreciate the very good intentions of proponents of these formulas. Their solutions ... may in the best of cases plug some holes in a sinking ship, but they ultimately fail to address the damage a market society must inexorably produce unless it is radically replaced.

"But replaced by what? Certainly not by a mythical "revolution" occurring in the backyards of the world or by investment in Green mutual funds ... A Green economy, qua economy, would no longer be describable in economic terms. It would be, above all, a political and ethical project ... Green economists would be obliged to ask whether market exchange relationships should exist at all ... They would have to ask whether ownership of the means of production should be ... replaced by free civic assemblies of the people ... whether our present metropolitan urban belts should be replaced by ... a polis-type network of humanly scaled communities. Finally they would have to ask whether the nation-state should be replaced by a ... confederational association of municipalities united by mandated, recallable, and rotating deputies of civic assemblies ..."

Toward a way forward.

Most of the alternatives to public management under the nominal control of assemblies of elected representatives or "market" processes depend on some form of individualism (as in the writings of most anarchists LINK and what might be termed the ecological anarchism of Goldsmith, 1992) or spirituality (as in the writings of Buddhists eg Bahro, 1986). Few rely on any systematic study of the reasons why public policy fares so poorly (and, indeed, the number of such studies can more or less be counted on the fingers of one hand).

As has been mentioned, Raven (1995) argues that there are at least three components that need to be present in any proposal for an alternative answer to Smith and Hayek's quest for a design for a learning society – i.e. one which will innovate and learn without anyone having to know anything very much. The first consists of arrangements for the adventurous study of components of individual problems (such as, in education, how to assess the development of multiple talents). The second involves the development of indicators of progress toward the politico-bureaucratic arrangements required for an innovative society. And the third consists of more systematic study of the hidden sociocybernetic processes that govern the operation of society and how to harness and intervene in them.

It is worth highlighting some of the features that societies seem to need to possess if they are to sift information for good ideas and act on those ideas in an innovative way in the long-term public interest. They include:

- 1) *Radically changed job descriptions for public servants.* It emerges that their tasks centrally involve:
 - ❑ Making arrangements which will release a ferment of experimentation and learning. (Kanter, 1985; Schon, 1971/73, and others have documented these fairly thoroughly and Kanter has coined the useful phrase “parallel organization activity” to capture a number of their key features).
 - ❑ Arranging for the initiation of a wide range of experiments, based on different perspectives, to generate alternative forms of provision in many areas;
 - ❑ Arranging for the *comprehensive* evaluation of *all* the short and long-term, personal and social, consequences of each of those experiments;
 - ❑ Feeding this information into public debate so that people can make realistic choices between the options (instead of upward in a bureaucratic hierarchy to those who will supposedly make decisions binding on all);
 - ❑ Studying the systems (technological, economic, social-structural, political, legal, cultural, and social) constraints which prevent these experiments working as had been hoped;
 - ❑ Inventing ways of intervening in these systems so as to create more “successful” developments ... and arranging to monitor the effects of these “outwardly-oriented” experiments so as to learn more about the operation of systems processes;
 - ❑ Establishing adventurous Research and Development institutes;
 - ❑ Arranging for the development of appropriate tools to hold scientists accountable for adventuring into the unknown, finding ways of doing the impossible, and measuring the unmeasurable;
 - ❑ Arranging for the development of the tools needed to hold themselves accountable for undertaking the activities mentioned above and for holding scientists ... indeed everyone ... accountable for taking initiative, finding ways of doing the impossible, and learning from the effects of their actions. Note that embracing such criteria implies that people will need to be evaluated in terms of whether they have engaged in processes which are likely, in the long-term, to make for innovation and development rather than in terms of the success of a particular enterprise or for having made no mistakes. In other words, the tools will be measures of processes rather than outcomes (although outcome measures are also required).

- 2) *Changed images of science.* Images of the scientific process need to move away from a focus on reductionist, single variable, approaches, toward comprehensive, or ecological, science in which one studies multiple processes, feedback loops, and outcomes. The quality of a scientific study is to be judged, not on the basis of its ability to get an accurate fix of on one or two variables, but on the basis of its comprehensiveness - its ability to get a rough fix on all important processes and outcomes and stimulate debate.

- 3) *Support for adventurous research* based on an ecological rather than reductionist model.

- 4) *Support for social research* to investigate such things as what makes for quality of life, quality education, well-being, etc. and to subsequently develop the tools that are required to run alternative systems. (Notwithstanding what was said earlier about the importance of developing new public management arrangements and intervening in the sociological processes performed by the system, reform of the educational system, for example, still depends on the development of, among other things, new measures to recognize the wide *diversity* of talents available and developing a better understanding of curriculum processes.) By the same token, one of the most important activities to be undertaken in connection with enhancing quality of life is to develop means of indexing the wide variety of priorities and life satisfactions that different people have. (Some of the difficulties inherent in doing this may be highlighted by reflecting on the furor that followed publication of the Kinsey Report LINK). Yet such topics remain relatively trivial compared with the importance of developing a better understanding of the hidden network of feedback loops which primarily determine what happens in society (sociocyberneticsLINK) and evolving alternative societal management arrangements grounded in recognition of the need for pervasive change.
- 5) *New concepts of wealth*: As we have seen, quality of life – ie genuine wealth – stems mainly from provisions which are in the public domain because its components (like security for the future) cannot be commoditized and bought and sold.
- 6) *New arrangements for supervising the public service* so that more of their behavior is exposed to the public gaze and thus become more likely to act in the long-term public interest. A quotation from John Stuart Mill may be helpful here. He noted that:

“Instead of the function of governing, for which it is radically unfit, the proper office of a representative assembly is to ... compel a full exposition and justification of all (acts) ... It should be apparent to all the world who did everything, and through whose default anything was left undone”.

Once the primary function of supervisory arrangements has been identified in this way, it is obvious that there is no need to rely on distant committees of ignoramuses. Networks of open monitoring groups – especially if they set out to include a wide range of people with different concerns and perspectives – could perform it much more effectively.

What is perhaps most interesting about all these proposals is that it is not necessary to wait for central governments to do something. As the ideas diffuse, the developments can be introduced from “the bottom up” ... as has been the case for most innovations from keels for sailing boats to word processing programs for personal computers. Nevertheless, the barriers to movement should not be underestimated because, as Benton (1986) and Lane have demonstrated, market processes have, for the public, a number of seductive features which cannot be gone into here.

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Couple of alternative quotes from Bookchin (themselves extracted from Wikipedia).

- "Nor do piecemeal steps however well intended, even partially resolve problems that have reached a universal, global and catastrophic Character. If anything, partial `solutions' serve merely as cosmetics to conceal the deep seated nature of the ecological crisis. They thereby deflect public attention and theoretical insight from an adequate understanding of the depth and scope of the necessary changes." (from *The Ecology of Freedom*, 1982)
- "To speak of 'limits to growth' under a capitalistic market economy is as meaningless as to speak of limits of warfare under a warrior society. The moral pieties, that are voiced today by many well-meaning environmentalists, are as naive as the moral pieties of multinationals are manipulative. Capitalism can no more be 'persuaded' to limit growth than a human being can be 'persuaded' to stop breathing. Attempts to 'green' capitalism, to make it 'ecological', are doomed by the very nature of the system as a system of endless growth." (from *Remaking Society*)

THE FOLLOWING IS AN ENTRY ON “PUBLIC MANAGEMENT” THAT HAS ALREADY BEEN DROPPED INTO THE “DISCUSSION” PAGE LIKED TO THE SUSTAINABILITY ENTRY.

==Public Management==

I don't quite know what to do about this.

There are three fundamental problems with this site.

First, it is assumed that if the issues are known current government structures are capable of doing something about them. Yet in virtually every area of public policy from education to health care public policy fails to deliver the desired benefits. Only two of the hundred plus speakers who addressed the G8 Alternatives seminars in Edinburgh at the time of the G8 meeting last year addressed the question of HOW to run a society in the long term public interest. It was assumed that if one shouted loudly enough the G8 "leaders" would do something about the hundreds of issues that were highlighted. Yet all the evidence is that, even if they were gentlemen of goodwill (which they are not) they would know HOW to run a society in the long term public interest. We find ourselves in the position of sailors in the world prior to Newton shouting at our captain and our priests to summon up a wind that would blow us home again. Until Newton had elucidated the concept of force and shown that its components could be mapped, measured, and harnessed it was impossible to do anything about the situation. We urgently need ways of thinking about, mapping, measuring and harnessing the social forces which every day undermine well intentioned public action.

The second problem is related. It assumes we need values change. But all the evidence is that our values are in the right place. We simply find ourselves unable to enact them. Worse, we can all see that systems processes will undermine any small scale action - such as not using our cars - that we might take as individuals.

The third problem is also related. So far as I can see, a sustainable society will have to be as different from our society as an agricultural society was from a hunter-gatherer society. And, just as no one in a hunter gatherer society could envisage what an agricultural society would look like so no one in our society can envisage what a sustainable society would look like. All we know is that we have to get rid of our cars, our planes, our defence systems, our chemical and energy intensive agriculture and so on and so on. But what would a society without these things look like? How would we gain meaning in our lives. (One fortunate thing is that NEF ... see Marks in refs ... has now shown that such a thing is possible without reducing the quality of our lives.) How to create a climate of innovation and learning without any blueprint, without any central authority being able to say where we are going? Now, this was the very question that Smaith and Hayek sought to answer. Their answer - the marketplace - does not, and cannot, work. But where is there any discussion of an alternative answer? One suggestion ... perhaps the only suggestion .. has been made by Raven in "The New Wealth of Nations". (There are, of course, other answers to the question of how to run a sustainable society ... Anarchism, Buddhism, "spirituality" .. but this is not the question I am discussing here.)

So, I could write an entry along these lines, but, at present, I can't quite see where to put it. Any suggestions?

[[User:Quester67|Quester67]] 18:00, 24 August 2006 (UTC)

:Your comments appear to be [[Wikipedia:NOR|Original Research]], so you should first find references for these opinions. [[User:Pstudier|Paul Studier]] 20:05, 24 August 2006 (UTC)