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NEW WEALTH OF NATIONS Summary of Parts I-III and Overview of Part IV

Chapter 17

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

This chapter first summarises some of the key issues discussed earlier. Thereafter it considers some surveys which show that, at least in the UK, there is a fairly widespread, if not too articulate, awareness of some of the problems. This finds expression in the endorsement of what have been called the “New Values” - a cluster of values having to do with conservation, decentralised production, dramatic reductions in transportation, an emphasis on offering satisfying inter-personal services rather than personal advancement at work, an emphasis on quality of life rather than material progress, and concern with an equitable distribution of incomes both within the West and between the North and the South. Unfortunately, just how serious are the environmental and social problems which confront us and just how inadequate are our economic and social institutions to the task of dealing with them is less widely recognised. Most seriously, those who embrace the New Values are generally silent on what is to be done about the societal management problems which have been highlighted.

It would seem at least arguable that it has been this inability to say how, exactly, the New Values are to be translated into effect that has prevented the “third force” which has entered the political arena of many countries - as Solidarnosc in Poland, as articulated by Dubcek in Czechoslovakia, the Greens in Germany, and as the Social Democratic Party in Britain - from attracting sufficient electoral support to command a significant say in government. There is widespread support for the aims of these movements. That the requisite policies are neither Right nor Left but radically different along a third “dimension” is also widely recognised. What is missing is clarity about, first, the institutional arrangements required to run the radically different kind of society which is required to give effect to the New Values and, second, how the huge international, capitalistic, military-industrial-banking complex is to be brought under control. The necessary arrangements

include new structures of democracy and bureaucracy, new mechanisms for the exchange of goods and services, and new procedures to obtain feedback, evaluate the short and long-term effects of what is being done, and thereafter to take appropriate action. The aim of the remainder of this book is to help to clarify what those arrangements are. Only when this has been done will it be possible to think realistically about how to get them into place.

One interpretation of recent history is that it was dissatisfaction with the ability of either old party to meet the need which combined with a recognition that the new Third party did not yet have a viable alternative to create in Britain the vacuum in which the minority government of the Conservative party - with its lowest-ever proportion of the vote - was able to enact policies which eroded the very forms of democracy, open government, access to information, civic participation, personal and financial security, and freedom to think and publish that are necessary to find a way forward. Thus it has been the inability of Third Way politicians to articulate the arrangements needed to run the necessary new social and economic order that has allowed the mythology of Neo-classical economics, first to gain a foothold, and then to sweep the globe in such a way as to legitimise policies which are ecologically and socially disastrous.

Summary of Parts I - III

Readers who have recently read the book from the beginning will find this summary redundant and may skip to the next main heading: "The Way Forward: The New Values".

We have reviewed evidence showing that, despite its appearance of prosperity, our society is quite conceivably on the verge of collapse: Our biosphere, food base, soils, seas, atmosphere, industrial base, and financial system are all being seriously degraded or actually disintegrating. We have reiterated the dangers of destruction of the planet as we know it from global warming on the one hand and a nuclear winter on the other.

The question we face is whether we can take the steps needed to avoid this fearful trajectory. Anticipating future trends of this sort and taking effective action on the basis of forecasts is not something humankind has been very successful in doing in the past.

Contrary to the belief of most of our colleagues in the *New Economics Foundation* (whose attention is focused on money and the marketplace with a view to finding ways of making them work better), the evidence we have reviewed shows that there is little hope of making significant progress by tinkering with market mechanisms. Prices are social constructions which (i) bear little relationship to costs of any kind, (ii) are incapable of providing meaningful feedback concerning the merits and demerits of alternative forms of provision, and (iii) are incapable of recognising or encouraging worthwhile contributions from members of society.

Market mythology has merely legitimised the creation of almost unlimited busy-work based on inordinate consumption of energy. The products resulting from the consumption of this energy are endlessly destructive. Societies, like the USA, which are lauded as "efficient", are, in reality, the most *inefficient* and destructive societies the world has ever known. Their apparent efficiency depends on exploiting the stored riches - and especially the energy - of the Earth, the peoples of other lands, and future generations in ways which cannot continue, let alone be generalised to other countries.

The situation in which money, the marketplace, and efficiency are not what they seem to be is supported by a web of mythologies perpetuated by an “educational” system which, on the one hand, inculcates the most important myths associated with them and, on the other, lauds and promotes those who are *least* able and willing to challenge and question them and develop alternatives (whilst, as part of the system, both generally claiming - and being generally thought - to do the opposite).

Although many valuable suggestions have been made for using human, biological, and physical resources less wastefully, little action has been taken. This is mainly because there is currently no effective way of ensuring that politicians and public servants initiate the collection of information which is likely to have implications for the future, sift it for good ideas, and act on it in an innovative way in the long-term public interest. The expansion of the role of government has grossly overloaded our public management structures which are inadequate to the task of stimulating and encouraging innovation. Put another way, our central problem is not an economic one. It has to do with the way we run - manage - our society. What we need to do is re-structure democracy and bureaucracy and adjust our expectations of public employees. We need better control over the three quarters of our national income which is, in some sense, spent by the government and the public service. We need better means of monitoring and controlling the so-called “private” organisations (which do so much damage to society) and especially the TNCs and the international banking, insurance, and pensions system.

Fortunately, many of the mechanisms needed to run society more effectively already exist. We have public service departments specialising in the evaluation of public provision, numerous committees to oversee the workings of public and private sector activities, and we have debates in the media. All of these need to be improved.

A central problem has to do with stimulating innovation in public provision and, in particular, legitimising and further developing our mechanisms for creating, providing, administering, and evaluating *variety* in public provision. The false belief that the market provides the only viable means of doing these things has been cultivated and strengthened by ill-founded assertions about the sources of the problems of Eastern Europe. We have also seen that most innovation, even in the so-called private sector, has in fact been initiated and introduced by the public sector. More significantly still, both the improvement in the overall quality of provision in health care, education, urban planning, and the provision, administration, and evaluation of variety in these areas has functioned - and must function - without reliance on money-based market mechanisms. Our task must be to improve these mechanisms and then generalise them to areas where nothing has worked in the past.

We have seen that one *cannot avoid* managed economies: One can only manage them better or worse. Governments manage their national economies and their relationship with the rest of the world. A government can abdicate responsibility for management, but it cannot avoid it. It will, rightly, still be seen as responsible for the quality of its management. This is one reason why governments attach so much importance to controlling the way they are presented, and why they seek to prevent others from presenting alternative views. This is why the Thatcher government took unprecedented powers to control research, information, debate, and the media.

It should be noted that - whereas Friedman and Seldon fail to acknowledge the gross defects in the operation of the marketplace they so strongly promote - we acknowledge that effective public management poses severe problems. Our view is that money and markets have become such chimeras that we can see *no* way of reforming them to make them “work”^{17.1}. On the other hand we can - along with such authors as Sampson^{17.2}, Ekins^{17.3}, Bellini^{17.4}, and Thurow^{17.5} - see ways of reforming public management to make it work better.

Far from denying the problems of public management, we are aware of even more serious defects than are Seldon and Friedman. Public sector activity often fails to deliver the desired benefits; it fails to make the required connections between different areas of policy; it does not pay sufficient attention to long-term effects or effects in areas of provision far from the centre of attention - and, most importantly, it does not pay sufficient attention to the ecological and the social. The public sector has not done enough to jettison the remnants of expensive accounting procedures derived from faith in the market economy; it is not sufficiently innovative; it does not do enough to gain control over the international forces which so much constrain what can be done within individual societies; it has not done enough to generate alternative voting mechanisms to replace market mechanisms - to diversify the political feedback mechanism; it is insufficiently responsive to public opinion and the results of surveys that are carried out.

Perhaps one of the most striking things we have noted is the frequency with which image does not conform to reality. The modern world is neither the kind of world in which Adam Smith lived or that which he hoped to create. His ideal was a world in which economic transactions took place in the context of enforceable moral and ethical codes - in which people did what was right despite what purely economic considerations indicated. It was a world of small competitive traders, of individual customers, and decentralised production. It was a world in which prices reflected the cost of land, labour, and capital, where the same accounting conventions were applied to the costing of different producers' products. The world in which he lived was one where costs externalised to the environment and the future were, if not negligible, much less than they are today. It was a world in which it was still expensive to extract energy from the soil and in which the movement of goods was therefore still costly. It was a world in which money was (with a few conspicuous exceptions) made from producing goods and services rather than from playing the stock market, a world in which most borrowed money was obtained from someone who had an alternative use for it instead of being conjured up out of thin air, a world in which there was much less information about the consequences of actions and much less capability, with the aid of computers, of managing that information. It was a world in which companies were not as wealthy as all but the largest countries and a world in which the well-being of old people was still dependent on support from their children instead of commercialised insurance.

In the modern world, the quality of life is primarily dependent on public management - on what public servants do - and not on the marketplace. Furthermore, current mechanisms for social and economic accounting fail to recognise the contribution which vast numbers of people make to the quality of life. Indeed, they tend to eliminate such activities.

We have seen that our present economic system is sustained by three great systems of myths:

1. The myths of the market place. These lead us to employ numerous people to carry out simple transactions - especially in transportation, banking, and insurance - and help us to create differentials which have the effect of inducing participation in the system.
2. The myths surrounding “defence”. These lead us to generate endless employment inventing and producing rapidly obsolescent goods and in international finance.
3. The myths of the “educational” system. This system occupies the time of countless students and lecturers, authors, printers, publishers, and bus drivers, and creates differentials which compel participation in the system.

Clearly it would be *possible* to re-direct human energies into less energy-intensive and destructive and more quality-of-life-enhancing activities, but doing so involves undermining the myths which most importantly bind society into a system.

The basis for the claim that work could be re-directed into more quality-of-life enhancing activities merits fuller discussion. In the first place, the way in which most work in modern society is organised fails to contribute directly to the quality of life of those who perform it^{17.6}. Next, the products and services which are produced do little to enhance the quality of life of those who receive them^{17.7}. This means that the money people earn does not usually enable them to purchase important life satisfactions^{17.8}. In other words, the market process - to the administration of which so much work is directed - does not - and is unable to - engage with the main determinants of life satisfaction and dissatisfaction^{17.9}. Put another way, the “wealth” produced by the market - which provides the basis for the most widely used economic indices - does little to enhance the quality of life of the community.

Stated even more baldly: Much of the work which is currently being undertaken is entirely useless from a human - as distinct from sociological or institutional - point of view. It follows that, were it not for the systems processes with which we would have to engage, it would be easy to dramatically reduce our consumption of natural resources and energy without seriously reducing our quality life.

We have seen that there would really be no difficulty finding alternative jobs for those who would become “unemployed” if we disbanded our present system. Work is required in energy-positive agriculture, in community support networks, in the provision of genuine health care and security - such as assistance in time of need (insurance), in alternative accounting systems, and in public management.

The greatest difficulties we face arise from that fact that it is almost impossible to conduct a rational discussion about the most serious issues we face because the sources of those difficulties are not the most obvious ones and the words in which the discussion has to be conducted do not stand for what they seem to stand for.

Because the referents of many of the words we use are other than what they are thought to be, developing an understanding of the persistent tendency of humankind to develop such misrepresentations of reality is - very surprisingly - one of the priorities for research if a way forward is to be found.

Because those who advance such misrepresentations tend (as in the mediaeval church) to gain positions of personal prestige and wealth, finding a way forward also involves developing ways of handling the powerful - magicians skilled in wordcraft. Although the most likely explanation of the growth of such things as market activity, the “educational” system, and media depiction of a false reality is that politicians found that all these developments reduced unemployment and increased short-term “prosperity”, the question still remains: “How were the *myths* which supported them generated?” Why have these beliefs so rarely been questioned? And why were other possibilities - such as community projects - scorned? The myths and arrangements seem to have a “life of their own” - an organism-like tendency to grow and develop without outside intervention. Answers to all of these questions are pre-requisites to the introduction of obviously desirable and entirely feasible changes in our society.

What are these desirable changes? What prevents us introducing them? And how can we overcome the problems?

The Way Forward: The New Values

Despite the continuing strength of reactionary, conservative forces in the world today, there is now surprising agreement about how society needs to change. The constellation of new ideas and goals is often referred to collectively as the “New Values”, although this term is sometimes also used to refer to their antithesis - to a new-found faith (often grounded in despair) in blind market processes.

The “New” values are actually ancient ones, remarkably similar to those espoused by American native peoples, and involve recycling, conservation, respect for, and harmony with, nature, and community care.

More specifically, the New Values involve:

- A desire to exchange goods and services in the context of personal relationships instead of an impersonal market.
- A concern with the re-design of living arrangements, particularly decentralising production and creating short journeys to work. This finds expression in a commitment to moving jobs to people instead of moving people and materials to jobs. Such developments would dramatically reduce the energy consumed (and pollution created) in transportation, and simultaneously lead to an increase in the quality of life.
- An awareness that the quality of life could be greatly enhanced by making more use of community support networks, Local Exchange Trading Systems (LETS) and skills exchanges which recognise the importance of many more types of contribution than are rewarded through the market place. This awareness sometimes encompasses a desire to replace both drugs-based health care and commercialised insurance by networks of mutual support.
- A desire to replace GNP, as the main goal and criterion of community success, by Quality of Life indices.

- A desire to have a fair, equitable, distribution of incomes and access to the other good things in life (including satisfying work and leisure) within societies. This is often associated with a particular commitment to end the inequitable exposure of the weakest members of society (and many of those who actually contribute most to it) to the greatest hazards of income discontinuity and poor standards of health care and insurance.
- A desire to end the exploitative nature of most current trade with the Third World.
- An emphasis on choosing work because it is personally satisfying and because it makes a directly-experienced positive contribution to the community rather than because it offers a good salary and career prospects. (Robertson^{17,10} has characterised this emphasis as a concern with “Own-work” ... but when one looks at the kind of work that lies at the heart of his discussion, one finds that it would be better characterised as “Commune-work”.)
- A commitment to the idea that the problems which confront society are most likely to be solved if people choose their work and voluntary activities for the personal satisfactions to be gained from beneficial human relationships, and a rejection of the idea that they are mostly to be solved through the creation of organisationally based - and especially government-promoted - arrangements.
- A desire to retrain the unemployed to undertake the myriad activities which are necessary to improve the quality of life instead of designating them as “unemployable” and treating them in degrading and de-humanising ways.
- A commitment (related to the above) to developing and utilising *all* the human resources available to society instead of assigning some people to affluent life styles and others to lives of degradation and humiliation.
- A desire to conserve and replace (partly through re-cycling) both non-renewable and renewable energy as well as minerals, food, and timber (with a particular concern with the rain forests in the latter area). . A concern to introduce much more effective measures to control pollution, to halt the destruction of habitat, and to stem the destruction of the soils, seas, and atmosphere.
- Recognition of the need to repair the damage already done to the seas, soils, waterways, and atmosphere - and especially the ozone layer.
- Recognition of the need for sustainable agriculture, forestry, and fishing. The need to reduce the use of fertilizers and pesticides is widely recognised. The need to move from energy-intensive tractors and other machines to renewable energy is less widely recognised. Still less widely recognised is the need to reduce levels of transportation of agricultural products to huge energy-intensive processing and centralised distribution plants.
- A desire to dismantle the “Defence” system - including the entire international industry that lies behind the overt military enterprise.
- An emphasis on the importance of taking personal responsibility for ensuring that one’s life style matches the planet’s needs rather than relying on institutional arrangements and the process of law.

Many of these values are captured by the term “sustainability”. We should not live in a way which the planet cannot sustain, heap burdens on our children, destroy the resources of the planet faster than we replace them, or set in train irreversible processes (such as global warming). Nor, while it may be sustainable for us, should we externalise our economic and political problems to the other side of the globe.

Other values can be subsumed in the wider notion of “Emphasising Quality of Life rather than GNP”. Such a reformulation of goals leads to a new concept of *wealth*. Wealth inheres in such things as the quality of human relations; the aesthetics and liveability of built environments; stress-free journeys to work; non-stressful working arrangements; freedom from the threat of crime or fear of arbitrary prosecution for trivial “offences”; the sense of being able to rely on being cared for in a humane way if one happens on misfortune (something which can only be effectively provided through community support networks); security to plan for the future; the absence of the discomfort which stems from an awareness of gross disparities in quality of life in one’s own community; ability to influence what happens in society or the future - to feel that one has made a difference; satisfying work - which means opportunities to exercise discretion and judgment and have a satisfying relationship with others; opportunities for leisure and the chance to use it in satisfying ways; opportunities to develop, use, and gain recognition for, one’s talents; and opportunities to contribute meaningfully to society.

Still others are captured by the notion of “seeing through economics”. Although most people are not aware of much of what has been said in earlier chapters, there is growing awareness of the absence of real economic advantages in large-scale production and distribution and an awareness of the disbenefits. There is an increasing sense that economics, by addressing itself to GNP rather than Quality of Life, does not deal with what really matters. And there is increasing recognition that the policies of the IMF do not improve the quality of life in the Third World.

Not only is there direct evidence of support for the New Values in the work of the Taylor Nelson Monitor^{17.11} and that of Yankelovitch and his collaborators^{17.12}, indirect evidence of the extent of recognition of the need for change comes from the fact that, in the last three elections in the UK, both the Conservative and Labour parties obtained the support of the lowest-ever proportions of the electorate. Other evidence of the extent of this recognition is to be found in the low-level of support for privatisation and the enterprise culture among the bulk of the population^{17.13}.

Beyond The New Values

Despite the fact that New Values are clearly a step in the right direction, what we have seen in this book is that, on their own, they are insufficient. Although the previously mentioned surveys provide some grounds for optimism, they also show, less positively, that few people realise just how serious is our predicament. Few realise how entrapped we are in what Milbrath^{17.14} has termed “dominator” thoughtways and a “dominator” society - a pervasive climate in which social and economic processes collude with scientific assumptions to ensure that power orientations dominate over an orientation to peace, co-operation, and peaceful co-existence with each other and with nature. No one is free to choose peace, but anyone can impose on all the necessity for power. A society that exploits nature quickly acquires more power than one which exploits it more slowly. Power over nature also means power over people.

We have suggested in this book that we need to completely re-design our way of life. The changes that are needed include:

- *Dramatically reducing energy consumption.* This logically means dramatically reducing the number of (indeed to all intents and purposes, getting rid of) our motor cars and all the industries associated with them - car maintenance, highway planning and construction agencies, fuel delivery systems, car insurance companies, many legal practices, and hospital accident care facilities. It means dramatically reducing the amount of centralised production and associated distributive arrangements such as multi-purpose out-of-town shopping centres, the associated transportation of workers, and the panoply of accounting systems (and all that goes with them) that are required to support them. It therefore means getting rid of most trade. It means getting rid of much of our legal, policing, and “criminal” incarceration system. Conserving energy also means abandoning our current forms of central heating and air conditioning. It therefore means abandoning our attempts to live in some of the hottest and coldest regions of the world (or, at least, dramatically changing the way we attempt to do it), not to mention outer space.
- *Dramatically reducing the consumption of non-renewable resources.* This means ceasing to consume fossil fuels and dramatically limiting our consumption of minerals including metals and sulphates.
- *Dramatically reducing the production of waste.* This includes sewerage, packaging, refuse, and books and newspapers. Reducing it means re-using (and not merely re-cycling) packaging. It means re-cycling paper and other materials. But it also means phasing out many of the industrial processes which rely on, and produce, the vast array of toxic chemicals used by modern industry. These are typically dumped at sea or buried in the ground. (In this context it is important to note that the production of many apparently “clean” electronic gadgets creates huge amounts of toxic waste which both pollute water systems and are hard to dispose of.)
- *Dismantling the “Defence” Industry* (whilst finding alternative ways of investing in the research, currently funded through the “defence” budget, which is so urgently needed to find new ways of doing things).
- *Dismantling the nuclear industry,* including nuclear electricity-generating plants.
- *Largely dismantling the banking, financial, insurance, and pension system as we know it.* This system contributes enormously to the problems faced by the Third World, the poor, and future generations, and it “requires” for its continued operation vast, useless industries and endless, useless work - which in turn make enormous demands for power, paper, and transport.
- *Disbanding most centralised manufacturing* and the marketing and distribution networks based upon it, not only because of the energy consumed, but also because it demands so many non-renewable resources and creates such enormous burdens of pollution and personal stress.
- *Radically reforming agriculture, forestry, and fishing* into sustainable, energy-positive industries which neither over-exploit and erode the soils nor generate intense pollution of the soils, the waterways, and the seas.
- *Developing and introducing social-science based Quality of Life Indicators* in place of GNP, and initiating the mechanisms that are needed to collect, sift, and take action on the basis of, the information so generated.
- *Introducing much better arrangements to evaluate policy and take action:* To assess the effects and effectiveness of activities undertaken in all areas, to develop a better understanding

of the issues involved, to sift this information for good ideas, and to take action on incomplete and tentative information in an innovative way in the long-term public interest.

- *Introducing information-based “pricing” of options* based on calculations of the human and natural resources consumed or destroyed in producing (or replacing) them.
- *Introducing community support networks* in place of drugs-based health care, commercial insurance, and pensions.
- *Introducing mechanisms of exchange* based on explicit information in place of market transactions.
- *Introducing information-based management of world economic processes* (but not “world government”).

In summary, introducing a sustainable way of life means largely abandoning the great engines of our economy - engines which provide employment and give meaning and purpose to most people’s lives - and finding new ways of organising things and giving new meaning to people’s lives. Only drastic measures will lead to improvement in the quality of life, both for ourselves and for other species.

The most important developments that are required are alternative societal management arrangements which will result in much more innovative information-based action being taken to enhance the common good; arrangements which will bring the dominator society to an end.

Giving Effect to the New Values

If there is so much agreement about where we need to get to, what stops us introducing the desired changes and what steps do we need to take in order to do so?

We have seen that there are no grounds for the belief that the invisible hand of the market will somehow help us to deal with these problems. We have seen that we cannot rely on our existing public management arrangements to get us there. But we have also seen that there are a whole series of entirely unsuspected systems processes which prevent progress. These range from the Machiavellian activities of our “leaders” and those who stand behind them, through the kind of feedback which leads politicians to engage in certain sorts of activity in order to secure re-election and the determination of behaviour by some rather remarkable myths and mystifying processes, to the kind of process hypothesised by Robb^{17.15}. All of these call for non-obvious kinds of intervention, the effectiveness of each of which will depend on the adequacy of the understanding on which they are based.

There are other difficulties. Even if the nature of the problems we face and the steps needed to deal with them were apparent, we have no clear image of what a sustainable society would look like, no clear understanding of the arrangements that are needed to run any society in such a way as to translate human values into effect, and still less understanding of the steps that are required to transform the kind of society we have into that which would be needed.

Worse, the available evidence suggests that there is much less public support for the kind of activities which the material reviewed in this book shows to be at least relevant than there is for

the values that are to be enacted. While the work of the Taylor Nelson Monitor^{17.16} shows that the inhabitants of Britain, Holland, Norway, and Austria are much more likely than those of other nations to endorse the “new values”, that work and the work of the Aspen Institute^{17.17} also shows that the route which at least the British and the Americans espouse in seeking to translate those values into effect is highly individualistic. Those who endorse the new values tend to seek personally satisfying, creative, autonomous work in which they can express themselves. They reject bureaucratically organised work. They reject authority (because authority interferes with autonomy). They pursue occupations (including scientific and entrepreneurial careers) for excitement and adventure, for personal satisfaction, or because of the benefits it confers on society. They want to do what is right rather than what will buy advancement in their organisations. They devote themselves to single-issue rather than party politics. They see the solution to global problems (if indeed they think in terms of a solution at all - for many of them think only of their own behaviour and not a system) in what may be thought of as the typically British way canonised by Adam Smith: as arising out of the cumulation of individually responsible decisions and actions rather than through systematic, organised, action to influence systems processes.

In our own work^{17.18} we have documented some other problems. While a much higher percentage of the population of the UK than of Japan or the US endorses the New Values, far fewer in the UK are anxious to seek out new information and sift it for good ideas, far fewer are interested in understanding and influencing the workings of social systems, far fewer are interested in thinking about the talents of subordinates and how to place and develop them, far fewer are interested in developing better ways of thinking about things, and far fewer are interested in finding new ways to do things or new things to do.

Given what we have seen about the steps needed to give effect to the New Values, these findings help to explain the plight in which Britain finds itself. They indicate why it has been so difficult for the Third Party in the UK to become a significant force in politics. While many people would indeed like to see the introduction of a very different kind of society, they want it to emerge from a cumulation of personal, value-based action, not from organised action to change society. Few want to do the things it would be necessary to do to work out how to introduce and run a sustainable society. Few even think it is important to support those who would wish to do so.

At this point it is important to say something about interpretations which are often placed on the failure of individuals or society to enact the New Values.

At an individual level, failure to act in accordance with espoused values does not necessarily mean that those concerned do not “really” believe in these values. Actual behaviour is not only determined by values. It is also influenced by outside pressures and other considerations. For example, the personal costs of doing without one’s car in a car-based society are often enormous. To translate what one “really” feels about cars into effect would require system-wide change - but the problems facing those who seek to introduce such systems changes in the context we have documented are enormous. Likewise, failure to re-cycle one’s aluminium beer cans - despite the importance one attaches to recycling - may be an entirely logical decision: Even the pollution caused by the energy consumed in taking beer cans to collection points, thence to re-cycling

plants, and then reprocessing them exceeds the pollution caused by smelting more aluminium. Thus, failure to recycle beer cans does not mean that one would not support necessary developments introduced as part of a system on a communal basis.

These examples illustrate one of the most important dilemmas facing many of those who endorse the New Values: Individualistic action is futile, but what is really needed - the initiation of collective action - is frustrating and difficult and thus is in conflict with other New Values, such as the desire for a less frustrating life style. As Lane and ourselves have shown, initiating effective communal, civic, action is widely recognised as involving the most difficult and thankless of activities - such as thinking about how systems processes work and how to intervene in them, setting up politicians and business managers to get them to act in the public interest, and getting people to work together effectively for the long-term good of society.

It is the paralysis created by precisely this conflict that has allowed the remnants of right-wing economics to flourish: In the kind of conditions described, there is no articulated and viable alternative (or even realistic opposition) to right-wing views. People cannot vote for something they do not know how to do. In practice, those they might have voted for did not even get as far as saying that, precisely because they did not know how to do it, one of their priorities would be to set up the arrangements needed to find out how to do it. They even allowed the issues to be discussed to be hijacked by the Right “because there is no point in arguing with them” and because it would be seen as inappropriate and pointless - not to mention too demanding - to develop and articulate an alternative from which a new agenda for debate could be derived.

We will review in a later chapter the main suggestions which others have made for dealing with the problems highlighted in the section on “*Beyond the New Values*”. These fall into two main groups. One is for a return to some kind of harmony with nature; the other involves calling on governments to enact a myriad of disconnected environmentalist proposals. As far as we are concerned, the former fails to come to terms with the urgency of the situation and the “developments” which have taken place in society. The latter fails to attach sufficient importance to systems analysis and to recognise that governments are more inclined to act in the interests of the powerful than the general public.

The stance taken in this book is that the key development is to recognise that we already live in a managed economy and that many of the mechanisms we need to manage it more effectively are already in place. The need is to find ways of getting people, especially public servants, to collect, sift, and act on information in an innovative way in the long-term public interest.

The remainder of this book is devoted to spelling out what this involves.

It means creating a pervasive climate of innovation in which everyone attempts to do what they are doing in new ways and sets aside part of the day to work in a network arrangement concerned with innovation. It means giving a high priority to the establishment of policy evaluation and development units and to running them in such a way that they will collect and disseminate more forward-looking information. To have more effective information-based management we need better information on: What is happening in the environment; the quality of life and what

contributes to it; the interconnections between seemingly independent processes; the long-term consequences of alternatives; and the effectiveness of the various agencies which are charged with managing society in the public interest.

More importantly, we need a better understanding of *systems*. We need the kind of information which will help us to ensure that actions taken in one part of the system will not be neutralised by the reactions of other parts of the system. We need means of debating the implications of the information and giving teeth to the decisions that are taken. It is argued that the achievement of these goals has primarily to do with exposing more of the workings of the public service to the public gaze. This in turn involves the evolution of professionally developed tools to assess the workings of organisations on the one hand and the structures required to publicise what is going happening on the other.

To create a ferment of innovation in the public interest we need to develop new expectations of public servants, a structure which will promote innovation and evaluated experimentation, and a new staff appraisal system which will reward them for acting in an innovative way in the long-term public interest instead of in the short-term interest of politicians who need to be re-elected.

Though the central need is for fundamental change in our societal management arrangements, it is necessary to be clear that, in using the word “management”, we do *not* mean to identify ourselves with concepts of management which are widely embraced but which are not, and never were, appropriate to the management of viable enterprises. Management is *not* about making centralised decisions for individuals and issuing orders and instructions. It is about creating situations in which people’s *own* problem-solving behaviour leads them forward. The way forward lies in a changed understanding of what is meant by the terms “planning” and “management”: Both refer to the creation of vision, the release of adventurous activity, and the release of the ability to monitor, observe, and learn. These are no arm-chair prescriptions: The enactment of such concepts is exactly what distinguishes more from less effective management within individual enterprises.

Given the fact that ours is a highly managed economy (and society), we are unavoidably faced with Adam Smith’s and Fred Hayek’s “wise men” problem. We have seen that their solution does not, and cannot, work. Yet the question remains: How are we to ensure that decisions *are* wise - i.e. that they do not overlook crucial consequences, implications, and considerations? How are we to ensure that the effectiveness of what we are doing is continuously monitored and that decisions are changed as the effects of actions become clear? How are we to give effect to wise decisions? Or, as Bertrand Russell put it after he had noted that change is inevitable while progress is problematic, how are we to ensure that change means progress? The problem is how to achieve a *desirable* world, a desirable future, a sustainable future, indeed *any* future, for *Homo Sapiens*.

Notes

- 17.1 We *can* see ways of further reforming money to yield a set of ticket systems which work within very much more delimited areas of the economy, but this is a more radical re-formulation than has been envisaged by any of those who advocate reform of money and market processes.
- 17.2 Sampson, 1989
- 17.3 Ekins, 1986
- 17.4 Bellini, 1980
- 17.5 Thurow, 1983
- 17.6 See especially, Lane, 1979, 1986.
- 17.7 See especially, Lane, 1979, 1986.
- 17.8 If further evidence on this point is required see Easterlin (1973).
- 17.9 See especially, Lane, 1979, 1986.
- 17.10 Robertson, 1985
- 17.11 Taylor Nelson Monitor, see Large, 1986.
- 17.12 Yankelovitch et al., 1983a&b
- 17.13 e.g. see Jowell and Topf, 1988.
- 17.14 Milbrath, 1989
- 17.15 Robb, 1989, 1991
- 17.16 Taylor Nelson Monitor, see Large, 1986.
- 17.17 Yankelovitch et al., 1983a&b
- 17.18 Graham and Raven, 1987

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