

Symposium on Raven

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Rethinking Democracy

John Raven

The image of the purpose and functioning of both representative and direct democracy that informs the thinking of Ophuls (1997), Bookchin (1997), Castoriadis (1997), Fotopoulos (1997), Martin (1997), and McKercher (1997) are inappropriate. The basic reason for this assertion was highlighted by none other than Mill (1962), Smith (1776/1981), and Hayek (1948), all of whom noted that any proposal for *any* form of government that assumes "well informed" people among leaders, never mind the populace is a nonstarter. With the passage of time, both the justification for this claim and the inadequacy of Smith's proposed solution have become ever more apparent.

Mill noted that "Instead of the functioning 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." As we shall see, a system for making visible to everyone who did and did not do everything is the main development that is still required. But the main point here is that it was long ago noted that representative assemblies are "radically unfit to govern."

Smith and Hayek each came to a similar conclusion from a very different starting point. I will summarize both their basic argument and their proposed solution, because it is the fact that their solution does not work and ~~is~~ not the demise of representative democracy which lies at the heart of the widely noted disillusion highlighted by Ophuls.

As Smith and Hayek forcefully underlined, neither representative nor direct democracy (at least of the kind envisaged by most of the authors mentioned earlier), have *ever* been viable because it has *never* been the case that "both voters and their chosen leaders can

comprehend the world well enough to control it." (Ophuls, 1997). What has happened is that more people than ever before now recognise the complexity of the world. More of us now acknowledge, for example, the effects of lead in our gas and of carbon dioxide on the ozone layer and its repercussions for our way of life, and so on.

Unfortunately, we are still inclined to believe that we know what should be done about these problems and still more arrogantly what should be done to improve our educational systems, our health-care systems, our arrangements to control crime, and so on. In other words, we still do not recognise the complexity of societal management. Departments of environmental management have sprung up all over the place. But, although some of us understand some aspects of ecological processes, none of us have more than a glimmering understanding of what is required for effective public management. More specifically most of us fail to recognize that we simply do not understand the social systems processes that prevent our educational systems, our environmental management systems, our healthcare systems, and so on from performing in ways that we would like them to function. The

assumption that "problems" can be demarcated, understood, and tackled on a piecemeal basis is one of the central flaws in the network of assumptions that make up our image of how representative government and the public management system in which representative governments have usurped the claim to have a right to direct and supervise should work. It is because the error of this assumption has become more widely recognized that more people have (rightly) lost faith in representative government.

Yet this was the very problem that Smith and Hayek sought to address. In what follows I will review their critique, their proposed solution, and its failures in some detail.

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The market mechanism was proposed by Smith and Hayek as a societal experimentation *learning and management system that would act on information that was necessarily incomplete, dependent for its implications and effects on other changing information, and widely dispersed in the hearts* (most of it has never been made explicit) *and heads of billions of people and therefore could not be available in concentrated form to any government or committee of wise men (or women)—learn from the effects of action and take such further action as necessary.*

Note that, in the main, it was *the system* that learned, not the individuals within it.

The “market mechanism” was designed to release a ferment of experimentation in which anyone who thought he or she could see better than others what was good for society could try it out and get feedback from everyone else. If appropriate, funds could be raised from others in order to achieve gigantic projects. A vital and explicit justification for the process was that the societal effects of any course of action, as it interacts with the effects of other actions initiated by unknown people and groups, simply *cannot* be predicted. The very concept a “wise man” (or wise woman) or any committee of wise men and women was, in this way, exposed as an oxymoron. Self-declared wise men and women are *necessarily* ignorant of most of the most important information they would need to take good decisions. The billions of people who have different constellations of the expert, but necessarily grossly incomplete, information required for effective action have different perspectives on any problem. Thus there are endless definitions of what any given problem is. This undermines the assumption made by most politicians and bureaucrats namely that *their* definition of “the problem” is the *only* one. Such experts are, therefore, exposed as being primarily involved in a power-hegemony-control operation. Smith acknowledged that most social experiments would fail in economic terms. However, he argued, what was to be learned from them would not be lost. A failed business, i.e., a failed experiment is not really a failure at all but a lesson that many public servants and managers of science would do well to learn. The market mechanism as proposed was quintessentially a societal experimentation, learning, and management system. *It has no other raison d'être. It does not endorse riches for riches' sake. It does not laud money. It does not endorse a divided society. It was a means of giving power to information.* It was designed to create a ferment of innovation and provide a means of

learning from the effects of the experiments which were initiated. And the outcomes of all these experiments merged, previously undreamed of goals—goals that could never ever have been realistically envisaged or even thought out beforehand could be accomplished. What was offered was a design for a learning society, but a learning society quite different from that which is most widely envisaged when the term is used today, a *society that learned without anyone involved in it having to know anything very much.* It was decentralized, organic (with many feedback loops and potentialities), nonauthoritarian, and, like evolution itself, grossly inefficient in bureaucratic terms. It was the ultimate in forms of participative democracy: Everyone involved could “vote with their pennies” inde-

pendently 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 even explicit verbal knowledge. People could attend to their feelings and vote accordingly.

So, if there is so much in its favor, what is the problem? I have spelled out numerous problems in my *New Wealth of Nations*.¹ Only a few can be mentioned here.

First, it has turned out to be extremely difficult to get the market mechanism to take account of, and respond to, huge amounts of vitally important information, particularly of a societal nature. People, including most capitalists, seldom behave in ways commensurate with their long-term interests, particularly when acting in those interests would involve

persuading large numbers of other people to do likewise. Hardin's (1968) “Tragedy of the Commons” has proved endemic and pervasive. Thus it has become virtually impossible through the market process to stem the destruction of our very habitat—Gaia²—or even to take appropriate action to stave off the imminent collapse of the financial system,³ let alone to take appropriate action to improve the quality of life of all.

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 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 that is both personally and socially destructive. In the end, it turns out that the function of market mythology is to create useless work and to carry out that work as inefficiently as possible.⁴

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Third, market processes do not, in fact, deliver genuine wealth because real wealth depends on things that cannot be commoditized and bought and sold. Thus it depends on security, on self-actualising work, and on networks of friends and support in one's workplace. It depends on living and working arrangements that are relatively free of stress. All of these are driven *down* by market processes.⁵

Fourth, the marketplace does not reward the most important contributions to either wealth creation or the enhancement of quality of life because these can come from people who are long since dead, 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.⁶ (Perhaps most importantly, maintaining the species requires costly child care procedures.)

In part because the quality of life depends primarily on public provision, on things that 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 present time, governments control the spending of something of the order of 75 percent of the gross national product.⁷ 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. There is just too much going on. The "customers" who figure in contemporary discussions of "the market mechanism" are mostly not the individuals of classical economics voting with their dollars, deutschmarks, or guilders separately on a myriad of issues, but agents purchasing on behalf of government departments, international defense alliances, and corporations working on government contracts.

Instead, therefore, of having a marketplace that provides a societal management system, we live in a society in which the control of cash flows is used to orchestrate decisions that have been made through the political and bureaucratic process (which happens to be mainly under the control of the transnational corporations). And, although there is not space to demonstrate it here, prices are primarily determined by public servants, and not by the cost or efficiency of land, labor, management, or capital ("costs" that are all primarily determined by public servants). The supposed efficiency of centralized

production is entirely dependent on an accretion of public servants' decisions to spread major costs over the entire community instead of loading them onto the individual producers who create them.

A related problem is the way in which many of the managed-transnational corporations have ^{grown bigger than} all but the largest national economies and are, aided and abetted by their agents the World Bank and the International Monetary Fund, thus in a position to control the activities of most governments and the markets within the societies over which they have jurisdiction.

It is therefore not true that we live in a society driven by market forces. We live in a society mainly driven by the decisions of international bankers, managers of the transnational corporations, and public servants, but, most importantly, controlled by mythologies that are every bit as important as those that 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 that control us are largely driven, generated, and, especially, perpetuated by a handful of capitalists⁸ who profit from them every bit as much as the leaders of the churches in the Middle Ages profited from the decisions they orchestrated and the mythologies they developed and perpetuated.

Despite the retention of market rhetoric, therefore, the world seems to have evolved into something very different from the kind of learning society that Smith and Hayek envisaged.

Instead of facilitating the dissemination of images of self-sufficient communities, experimentation, systems learning, and self-organizing systems, market mythology has been used to assist in the diffusion of authoritarian ideas: the "management" of science, forcing the world to be "free for democracy" (which, in practice, means the transnational corporations), the necessity of centralized decision taking and the rule of authorities, materialism, and the quest for domination over nature and other peoples. At the very moment that we learn that it would require five backup planets whose people were engaged in nothing but agriculture to allow the current population of the globe to live as we do in the West,⁹ we find vast billions in Asia—and in China in particular—engaged at a terrifying speed in a deadly quest for materialism, domination over nature, and domination over other peoples.

If Smith and Hayek were right in their strictures on authority and wise men, but if it is also true that the market process has failed to

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provide us with an effective methodology for tackling complex social problems, what alternatives are open to us?

Before we can usefully begin to explore answers to this question we must free ourselves of a number of authoritarian ideas.

The first of these is the notion that there can be wise decision makers who will consider everything of importance including all the long-term—and as yet unconsidered and undreamt of—consequences of their decisions. Everyone on the globe is a decision maker in connection with hundreds of issues and in relation to hundreds of problems. The problems are identified from billions of perspectives that situate them in different contexts.

Then there is the widely promoted authoritarian concept of science, the notion that the accuracy with which science is associated comes from scientists whose individual work is beyond dispute. This leads to acceptance of its assumed converse, the notion that the work of any scientist that is disputable is not to be considered as science. In fact, just as it is the market *mechanism* that learns, so it is the *scientific process* that leads to the kind of certainty with which science is associated. The key component is *public debate* between scientists who speculate on what might lie behind their observations. It comes from replication and checking. The only way in which this universe of observations can be extended to the areas mentioned above is by having thousands of people work in each area, with many people adopting different definitions of each problem and different perspectives. It can only be achieved by having some scientists working on topics that their colleagues think are crazy. There is no other way of discovering things that no one previously thought it was important to look at or investigating things that everyone agreed were not open to scientific study. It is vital to understand these things if we are to get any fix on anything approaching all the outcomes of social processes that ought to be taken into account when coming to decisions. We must have thousands of mavericks investigating “the same” problem from different perspectives in the hope that some of them will stumble across things no one else thought it was important to investigate.

Then there is the authoritarian notion that our existing forms of bureaucracy and democracy have “worked well in the past and therefore that the social problems we face should therefore not be tackled by direct action.” Unfortunately, our current forms of “democracy” and bureaucracy have in fact orchestrated the most destructive actions the planet has ever known. They have always operated, and continue to operate, mainly against the public interest. They are not

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even capable of guaranteeing the overall long-term security of their citizens, indeed the only guarantee they can offer is precisely the opposite. The notion that some kind of social contract exists in which people give up some of their autonomy in return for the security the state can provide is, therefore, without foundation.

Such observations can hardly fail to arouse the suspicion that market mythology somehow functions as a smoke screen to facilitate the perpetuation of its antithesis.

To turn this round, what I am saying is that it has been the absence of sustained genuinely scientific—i.e., well-funded and maverick-oriented—inquiry into the operation of our societal management processes that has allowed these dysfunctional systems to flourish and “grow like Topsey.” The “science” of economics emerges as a system of mythologies having every bit as little contact with reality, but every bit as important social functions, as the mythologies of medieval religion.

What we now need is a widespread information-based challenge to these mythologies. And, most importantly, we need to systematically examine the systems processes that perpetuate these socio-logically-functional-in-the-short-term, but in-the-long-run-utterly-destructive, systems.

The crisis we currently face stems from three things. First, it is widely apparent that representative democracy, as popularly understood, does not work. Second, it is equally apparent that Smith’s alternative market management does not work. And, third, we are unable to manage major aspects of public provision effectively. Thus we are unable to run our educational system in such a way to nurture the talents that are required to understand and change our society; we are unable to manage our economic, social, physical and biological environment in such a way as to deliver high quality of life now and a future [any kind of future] for our children and so on. (What is less widely realized is that our current public management processes not only do not, but *cannot*, work well.)

Let us now relate these conclusions to some other problems.

We may first note that very many people are driven to work in what many of them can see is a destructive and demeaning system *against their will* by a network of mythologies and a constellation of social forces and social pressures. We can see—more importantly feel—it is wrong, but we cannot see how to stop it. In return for a livelihood, we force our fellows to sell junk food, junk toys, junk insurance, fraudulent education, and fraudulent images of society. We do not commit the crimes we perpetrate against our fellows (and many of them are much more serious than those currently deemed

criminal) because we—as Ophuls claims—“want the freedom” to act in socially irresponsible ways. We are led to do so by social forces that most of us try to resist and find ways of evading but which we are unable to withstand as individuals and *which we do not collectively understand well enough to see a way of changing*. Pleas for individual “morality,” such as those offered by Ophuls, are entirely misguided. As the work of the Aspen Institute, SCPR, etc. has shown, vast numbers of people *want* to enact the “new values,” which turn out to be ancient Navajo values which are required for sustainability (decentralized production, elimination of the military-industrial complex, energy-positive agriculture, meaningful work, elimination of most drug-based health care, etc.) but are instead compelled to contribute to the manufacture of armaments, destructive chemicals, destructive cars, fraudulent pension schemes, and so on.

Our problem, then, is, not to cry for the restoration of some mythical heyday of representative government, women in the home, or individual morality, but to evolve forms of public management that work. We *should* be getting rid, not only of representative government and “democracy” as we know it, but also of the very idea that the image we have of it could work. We *should* be giving up religious and textbook-based notions of individual morality and instead be much more concerned to understand and influence the social forces that prevent us from enacting our values. We should be much more concerned with *ethics*—with studying the long-term social consequences of alternative possible courses of action and finding ways of handling the constraints that prevent us translating those insights into practice.

What we need is much more effective public management that comes to terms with the complexity of biological, physical, and social processes. We urgently need an alternative answer to Smith and Hayek’s question about how to create a society that innovates and learns without making the assumption that more than a fraction of the necessary information can be present in the minds of any one person or any small group of people.

In my *New Wealth of Nations*, I have tried to provide an alternative answer. I will list some of the components here and hope that the attempt to summarize does not result in text that is utterly obscure.

Key components in an alternative answer include a) an alternative definition of *wealth*, b) recognition of the key role of public servants in producing that wealth, c) recognition of the key role of information and of new concepts of science and experiment in producing

that information, d) a new understanding of what *management* means, what it involves, e) a new understanding of the role of the public servant, accompanied by new job descriptions and staff-appraisal systems, f) a new understanding of *democracy* and of the role of the public servant and citizen in that democracy.

A New Concept of Wealth

Wealth, within a market economy, has come to mean *material* wealth—goods and services that can be commoditized and bought and sold. At times, even worse, it has come to mean the *money* that gives access to these things. In fact, quality of life depends primarily on items that can only be purchased collectively and largely on things—like security—that cannot be commoditized. So we need to dematerialize our concept of wealth and develop information-based indices of its quality. Most importantly from the point of view of securing the future, we need to recognize that we can have a much higher quality of life while consuming far fewer natural resources.

Recognition of the Role of the Public Servant

As we have seen, the quality of our lives, our wealth, depends primarily on what public servants do to orchestrate communal action for the common good. By identifying and manipulating economic and social forces and building appropriate institutions, public servants create wealth every bit as surely as do blacksmiths when shaping iron. Our task is to get them to perform that wealth-creating function more effectively.

How are we to get public servants to generate better information, especially information about the operation of systems processes and the long-term social consequences of alternative courses of action? How are we to get them to set off people to collect crucial information that no one else thinks it is important to collect so that we can have *comprehensive* information on the consequences of alternative courses of action? How are we to get them to orchestrate public debate about the options in such a way as to provoke movement and experiment and the recognition of issues that were previously overlooked? How are we to get them to induce other people to pay attention to, and experiment with, ways of intervening in systems processes, make those social processes explicit, learn from the effects of their actions, and take corrective action when necessary? How are we to get our public servants to behave *as managers*—i.e.,

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how are we to get them to recognize that "management" does *not* involve "making decisions" but, rather, releasing the energies of others in a ferment of innovation. It does *not* involve "being popular"; it involves weighing information and acting in the long-term best interests of the group concerned. To do this they need to take ethical issues seriously, without blaming individuals for failure but instead seeing what they can do to enable people to translate values including moral values into effect.

Information Generation

As far as the generation of information relating to new concerns and relating to more of the relevant consequences of the options that are open is concerned, it is clear that part of the answer depends on changing the criteria against which we judge our universities, our policy research and development units, and our scientists (which is why our image of science and how it is to be conducted and evaluated is so important). To run information-generation units in new ways, we need a new understanding of what an experiment consists of. We need concepts of "experiments" that legitimize attempts to influence social constraints and learn from the effects of those actions. We need to recognize that advance in understanding comes, not from the unarguability of the work of any individual scientist but from public debate between people with different perspectives working in the area. To facilitate such work we need new criteria to appraise the work of our universities and policy research units and their staff. And we need new tools with which to collect that information.

Creating a Ferment of Innovation and Learning

Creating options, feeding comprehensive information about their short and long-term, personal and social (what is good for an individual in the short-term may be bad for the community in the longer term), consequences to the public, and encouraging its members to choose between them not only means defining new roles for public servants and developing new appraisal systems to find out if they are performing these roles successfully but also new forms of democracy. The information that becomes available needs to flow outward to the public so that it can make informed choices and guide its behavior appropriately. This is quite different from information flowing upward through a bureaucratic hierarchy to elected representatives who make decisions binding on all. This amounts to a new form of democracy.

It also involves a new understanding of how interlinked systems processes are to be influenced. Recognition of the importance of systems processes has in the past been thought to point to a need for systemwide intervention based on the assumption that what needs to be done is obvious. What is actually needed is both small-scale experimentation (taken to include monitoring and learning) based on a tentative understanding of systems processes and multilevel prob-

lem-oriented intervention—in China and elsewhere—not multifunctional, "world government"-level intervention based on speculation. What is needed is local intervention based on systems understanding. "Think globally, act locally" takes on a new connotation.

Getting Public Servants to Act on Information in the Long-term Public Interest

How are we to get public servants to act on information in the long-term public interest? The answer turns on Mill's observation about democracy: The function of public surveillance is to make visible to everyone who did everything. One does not require multipurpose assemblies to do this. One needs widespread penetration of the public service by the public, plus appropriate use of the media. But the information that needs to be made public is not obvious. It needs to revolve around questions like "Are these public servants following procedures that to lead to innovation in the long-term public interest rather than "Are their substantive decisions correct?" Again, therefore, the key research which needs to be done is on the institutional arrangements and staff appraisal tools that are required.

Supervision of the Public Service

But if so many members of the public are required to provide network-based supervision of the public service, how is this to be paid for? The answer is that such activity is fundamental to wealth creation and needs to be recognized and rewarded as such.

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Endnotes

1. Raven, 1995.

2. See Lovelock, 1979.

3. The imminence of this collapse is widely sensed. The grounds for believing that those feelings are entirely justified are spelled out in *The New Wealth of Nations* (Raven, 1995).

4. The bases for this statement are spelled out in *The New Wealth of Nations*.

5. See Lane, 1991.

6. See, especially, Douglas, 1934, 1935/78, 1936.

7. The evidence for this is summarised in *The New Wealth of Nations*.

8. Evidence for this statement will be found in *The New Wealth of Nations*.

9. See Rees, 1992.

Rethinking "Rethinking Democracy"

Robert E. Lane

It is not that the genre of political theory as hyperbole lacks value; Rousseau was and is a seminal figure in political thought and Marcuse and Foucault have, indeed, made contributions to the way we look at society today. Even as a cry of pain, "Rethinking Democracy" has evocative value. Consistency and linear thinking have often been overvalued by Anglo-Saxon thinkers who fail to appreciate the importance of simply placing on our agenda problems that cry for attention. A.D. Lindsay once said that the value of democracy is that it alerts officials to where "the shoe pinches;" so is it with political theory, even when the cobbler is not much instructed on what to do about it. Moreover, in the short piece printed in *The Good Society* Raven is trying to summarize in a short space what he has laid out more extensively in his 1995 book, *The New Wealth of Nations and the Societal Learning Arrangements Needed for a Sustainable Society*. Trying to cram it all in, Raven touches on so many things that he risks the appearance of superficiality while treating subjects of the greatest depth.

Democracy, he says, suffers from the inability of both members of the public and officials to comprehend the complexity of the world; its time span is short-term, although it adopts policies with long-term consequences; everything is interconnected, but things are treated in elections and parliaments as though they were single events; democracy is influenced more by money than popular needs

(or demands). At the same time, bureaucracies, whose higher civil servants Raven admires and relies on for solutions to the problems he presents, are inappropriately influenced by small, entrenched elites with concentrated stakes in bureaucratic rules. Do markets do better?

Markets may avoid these problems but suffer from others equally severe: they do not function as economic theory (Smith, Hayek) says they do, for, in fact, they are controlled more by oligopolistic transnational corporations than the perfect market theory allows; public officials influence their outcomes more than acknowledged; markets have no foresight and no way of preventing the tragedy of the commons; in order to "vote" in the market, people are required to work on tasks with no intrinsic satisfaction in order to produce products of no social worth; market reward systems are insensitive to the merits of those who are the principal contributors to our economic welfare; markets do not promote the security of people's jobs and livelihood; as Scitovsky once said, the things that contribute most to well-being do not go through the market.¹ In short, the market does not serve the public interest.

Science, which claims a place among Raven's targets because of his interest in societal learning, is unresponsive to heterodox proposals for investigation and, by implication, because it is guided by criteria that do not include the public benefits of what is discovered or invented.