

VOLUME 5

THE COLLECTED WORKS OF ARTHUR SELDON

Government Failure
and Over-Government

THE COLLECTED WORKS OF ARTHUR SELDON

- VOLUME 1 The Virtues of Capitalism
- VOLUME 2 The State Is Rolling Back
- VOLUME 3 Everyman's Dictionary of Economics
- VOLUME 4 Introducing Market Forces into "Public" Services
- VOLUME 5 Government Failure and Over-Government
- VOLUME 6 The Welfare State: Pensions, Health, and Education
- VOLUME 7 The IEA, the LSE, and the Influence of Ideas
(includes an index to the series)

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THE COLLECTED WORKS OF ARTHUR SELDON

Government Failure and Over-Government

ARTHUR SELDON

Edited and with a New Introduction
by Colin Robinson



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INTRODUCTION

Six works are featured in volume 5 of *The Collected Works of Arthur Seldon*. They are on a theme to which his writing constantly returns—the problem of over-government.

In representative democracies, such as the United States and the United Kingdom, governments claim legitimacy from their election by a majority (or a plurality) of the citizens of the country. Yet, once elected to office, usually on the broadest of policy platforms, they have a monopoly of policy making which leaves their actions largely unconstrained until the next election and sees them open to the influence of powerful interest groups that wish to obtain benefits for themselves at the expense of the rest of the community.

Seldon perceives serious dangers in the power of governments to coerce—for example, by taxing or by imposing regulations—which permits and indeed induces them to go beyond traditional functions of government (such as national defense, the maintenance of law and order, and the establishment and safeguarding of property rights). Governments plead the need to supply “public” goods and services, yet there is little “public” about much of their activity. Over-government is a constant threat and is very damaging: in Seldon’s view, government failure is ubiquitous, both because governments have insufficient knowledge to identify and achieve “public interest” goals and because, even if they could determine what is the “public interest,” they lack incentive to pursue it if it conflicts with their own aims. *Government Failure and Over-Government* contains two recent works on this subject—a book, *The Dilemma of Democracy*, published in 1998, and Seldon’s section of another book, *Government: Whose Obedient Servant?*, written in 2000, to which Gordon Tullock and Gordon Brady contributed the other two sections. These two very substantial pieces are accompanied by three articles from the late 1970s and one from 2000.

The first paper, “Change by Degree or by Convulsion,” written in 1978, is

taken from an Institute of Economic Affairs (IEA) collection (*The Coming Confrontation: Will the Open Society Survive to 1989?*, Hobart Paperback 12, edited by Ralph Harris and Seldon). In the preface to the collection, Seldon argues that, though the idea of the market is (in the late 1970s) back in public discourse, politicians are still trying to suppress markets, moving toward a closed society. Harris and Seldon therefore asked a number of distinguished scholars, including Friedrich Hayek, for their views on how difficult it would be to reopen society. These scholars were sent a “preamble” which, in effect, asked them whether, when whole sections of society have been closed, they could be reopened by argument alone or whether some kind of revolution might be required.

In “Change by Degree or by Convulsion” Seldon argues that, in a market economy with decentralized decisions, change tends to be gradual and peaceful as adjustment takes place to changes in underlying supply-and-demand conditions. Confrontations are small and are “solved by higgling and haggling over price, the peace-maker” (p. 3). By contrast, in a centralized economy, change is repressed and postponed so that, when it comes, it is “contrived, jerky, discontinuous, lumpy, convulsive” (ibid.). Markets can deal peacefully with change; however, under government control, incipient economic change produces strife and tension and possibly even civil war where change is suppressed.

Seldon goes on to identify some of the sources of resistance to economic change in Britain in the late 1970s. Government legislation, going back a hundred years, has given legal privileges to the labor unions that, not surprisingly, they use to obstruct change. State ownership of the fuel and transport industries and state control of education and health also inhibit change and make the industries vulnerable to labor union pressure. The monopoly power of the state corporations allows high-wage costs to be passed on to consumers. Failure to alter the law on trade unions and to denationalize state monopolies risks a major confrontation. The open society, says Seldon, “cannot long survive a power created or tolerated by Parliament that is invited to bargain with government” (p. 5). “The longer the disarmament of the monopoly unions is shirked, the more painful it will have to be” (ibid.). Governments have brought this problem on themselves by their encroachments on what used to be the private sector, using the false claim that they are providing “public goods.”

Yet, as usual, Seldon sees hope in growing resistance from the public to the interventions of the state. In the end, as Böhm-Bawerk foresaw, eco-

conomic laws will prove stronger than political power. People will find their way back to the market.

[T]he British, who have seen the market increasingly suppressed or repressed, and can now judge the results, will want to restore it—not least in medicine and education, where it was said to be least practicable. (p. 19)

Only a few years after Seldon wrote this, the Thatcher governments had, in the early 1980s, embarked on denationalization and a significant reduction in the legal privileges of trade unions, though it is only in very recent years that the first small steps toward markets in health and education have been taken in Britain.

The over-government theme continues in the second article in this volume, “Individual Liberty, Public Goods, and Representative Government: Lessons from the West and Escape for the East,”¹ originally published in 1979 in the German journal *ORDO*.

Seldon begins the article by quoting Hayek, including Hayek’s contribution to *The Coming Confrontation* (see above), which stresses the dangers of majority rule and the threat from sectional interests that influence government. Seldon points out that the state has expanded remorselessly even though most of the arguments used to support the case for “free” government provision of services are false. Political choices are crude and arbitrary:

if there is no market in which each man’s pound or dollar, or Deutschmark, or franc is the same as everyone else’s, access will be based on much more arbitrary differences in power, cultural or political, that are more difficult to correct or remove. (pp. 34–35)

Governments cannot accurately reflect public preferences: political majority decisions should be confined to genuine public goods.

One way of trying to reduce the size of government, says Seldon, is to impose cash limits on government departments. But a better approach is to use standard microeconomic principles, as he advocated in *Charge*²—to introduce prices for personal and private services supplied by governments so

1. A shortened version of this article appears under the title “Individual Liberty and Representative Democracy,” in Seldon’s *The State Is Rolling Back*, which is volume 2 of these Collected Works.

2. In volume 4 of these Collected Works.

that consumers can choose for themselves how much to purchase and therefore what the size of government should be.

Tax “avoision” is a word coined by Arthur Seldon to indicate the blurred distinction between the (legal) avoidance of tax and (illegal) evasion. The third article in this volume, “Avoision: The Moral Blurring of a Legal Distinction Without an Economic Difference,” is his prologue to a symposium on tax avoision assembled by the IEA in 1979 (*Tax Avoision: The Economic, Legal and Moral Inter-Relationships Between Avoidance and Evasion*, IEA Readings 22). In the prologue he emphasizes that, on economic grounds, there is virtually no distinction between avoidance and evasion because their causes and their consequences are the same. Nor are there clear lessons to be drawn about the morality of those who evade tax or those who merely avoid it but nevertheless appear to defy the spirit of the law.

Avoidance and evasion have become so widespread, according to Seldon, that they conceal a considerable part of economic activity and make national statistics misleading. There is a trend to make payments in cash as part of a subterranean economy created in response to government rules and restrictions, and a large tax avoision industry has appeared that consumes the time and talents of many people.

Seldon makes another important point about taxes that is often ignored in public discussion. They are a very blunt instrument because of the difficulty of distinguishing their incidence from their impact. Governments may intend to tax a particular group (for example, “soaking the rich” or levying a tax on a specific industry), but where the tax eventually falls (its incidence) depends on price elasticities of demand. Because of the uncertainty about incidence, one of Adam Smith’s “four canons of taxation” (certainty) can never be satisfied. Thus, “all taxation systems,” says Seldon, are “precarious as instruments of government policy” (p. 66).

The fourth work in this volume, *The Dilemma of Democracy*, is best seen as a companion to *Capitalism*.³ The latter explained the virtues of the capitalist system and the emptiness of the socialist critique, arguing at the same time that democratic governments had expanded their activities well beyond those that could be justified. In *The Dilemma of Democracy*, Seldon brings together and then expands the criticisms of democracy that are explicit or implicit in much of his earlier work, but particularly in *Capitalism*.

Democracy has failed, says Seldon. Lincoln’s vision—government of the people, by the people, for the people—has not anywhere been fulfilled.

3. In volume 1 of these Collected Works.

No democracy, certainly not in Britain, represents even indirect government of the people, the whole people, and nothing but the people. . . . No democratic government allows small groups of minorities to accept or reject its rules and regulations, laws and taxes, and to live as they wish, even where diversity to suit individuals, small groups and minorities is feasible. (pp. 88–89)

Majority rule has become the “source of arbitrary rule. Political democracy represents some of the people more than others” (p. 89).

Seldon uses the results of research by the public choice theorists to explain how over-government arises as members of governments pursue their own interests and are unduly swayed by the activities of interest groups that obtain privileges for their own members at the expense of the rest of the community. But, he points out, the power of government is not absolute. As it becomes bloated, so citizens seek to escape using markets. For example, rather than pay taxes they perceive to be excessive, they shift from the official economy to the “parallel economy” or they move to another country. As communications have improved, and especially as the Internet has developed, so has citizens’ power of exit been enhanced.

In part 3 of *Dilemma*, Seldon analyzes this power of exit in some detail, in terms of a number of “escapes” that are open to citizens who regard government as excessive. He considers, for example, escape to the “parallel,” or “shadow,” economy, which is evidence of “widespread alienation from democratic government” (p. 126). Other “escapes” Seldon discusses are by barter, by electronic money, by the Internet (which much improves the discovery process of competitive markets), and to other countries (which can now be achieved without moving because of the expansion of free trade and improved communications).

Governments are powerful, concludes Seldon, but they are not as powerful as market forces. As he stressed in the first article in this volume, in the end political power must yield to the laws of economics. The dilemma of democracy has been provoked by the “new inability of government to maintain its supremacy over the market” (p. 146). Governments should realize that they would be well advised to retreat before they are rolled back anyway by the will of the people.

Seldon’s view of the scale of that withdrawal is not merely some marginal reduction in the size of government. His agenda is much more radical—the state should halve its size relative to national income, shrinking from around 40 percent to nearer 20 percent.

“Public Choice in Britain,” the fifth paper in this volume, is Seldon’s contribution to *Government: Whose Obedient Servant? A Primer in Public Choice*, published in 2000 by the IEA as Readings 51, with coauthors Gordon Tullock and Gordon Brady.⁴ The book had been conceived in the mid-1980s, when Seldon was still at the Institute of Economic Affairs but did not come to fruition until the late 1990s.

Tullock, Brady, and Seldon each wrote separate sections of the book, which, as its subtitle implies, is intended to set out the elements of public choice analysis for students and others interested in economic principles. Seldon’s chapter follows an exposition of public choice analysis and its principal conclusions by Gordon Tullock, one of the founding fathers of public choice, and a discussion by Gordon Brady of some of the applications of the theory.

Seldon begins by explaining the problems inherent in collective choice when the decisions are made by representatives of the public rather than the public itself. As he says,

The indirect results that emerge in the politically-decided production of goods and services are usually very different from those that would be chosen directly by the public itself. (p. 150)

The present “democratic” regime embodies a voting system that does not faithfully reflect voters’ preferences, in which rent-seeking and log-rolling are endemic, and in which bureaucrats recommend policies that serve bureaucratic interests rather than the general public or the consumer. Hence government constantly expands, taxation is excessive, there is too much legislation, and “government persistently provides services which are clearly personal and family, though misleadingly described as ‘public’ or ‘social’” (p. 154).

Choice is denied, and the state supplies mediocre, standardized services for which citizens are increasingly reluctant to pay, indirectly by taxes or directly by charges. Government, says Seldon, “has been inflated beyond its optimum limits. It should be decentralised and confined to its irreducible boundaries” (p. 155).

Seldon goes on to explain why the “welfare state,” in particular, should be dismantled, allowing taxes to be reduced and permitting citizens to spend

4. A US edition of this book was published by the Cato Institute, Washington, D.C., in 2002, under the title *Government Failure: A Primer in Public Choice*.

their own money on goods and services they choose (rather than those chosen for them). There are three “crucial defects” in the state supply of “welfare” services. These services were introduced too soon, based on an ignorance of history and false arguments about the supposed superiority of state services; they became too large and failed to reflect individual preferences; and they were continued for too long after they had become superfluous because of the feasibility of private provision.

In his final chapter, “The Escapes from Over-Government,” Seldon returns to one of the main themes of *The Dilemma of Democracy* (see above). As government becomes burdensome, people will find means to escape it: he gives as an example the way British parents are escaping from the inadequacies of state education to private schools or to private tutors for their children.

The Hobbesian choice—between government or anarchy—is false, says Seldon. The alternatives are not “government or no government but too little or too much government” (p. 189). In the twenty-first century, political power will have to be used “in deference to the sentiments of the populace who will have new powers to challenge the state.” People will find “they can escape as they never could before” (p. 190).

The final article in the volume, “On the Liberal Emancipation of Mankind,” is a brief paper from a festschrift for Christian Watrin, which was published in 2000 in the Friedrich A. von Hayek Institute’s International Library of Austrian Economics series. The paper contains the essence of Seldon’s views on the extent to which government has over-reached itself and on the escape mechanisms which people are employing.

He goes beyond his earlier papers in arguing that Böhm-Bawerk’s question about the relative strengths of political power and economic law has been decisively answered in the 1990s. In a bold prediction, Seldon suggests that, in the first two decades of the twenty-first century, the growing escape from government will shrink the share of government in national income from 40 percent to not just 20 percent (as suggested in *The Dilemma of Democracy*) but to only 10 percent, both in North America and in Europe. “‘Democratic’ politicians have abused their powers to act as benefactors” (p. 195). State taxes are therefore “being rejected, its regulations bypassed, its rules flouted” (*ibid.*). The state is in retreat because of the superiority of the market.

The papers in this volume, covering a period of twenty-five years, show how Seldon's thought has developed into a more and more detailed critique of government action, especially when it involves "welfare" provision, leading him to foresee a radical reduction in the size of government as it cuts the functions it performs. According to Seldon, this reduction is inevitable because, if governments will not make the cuts voluntarily, they will be forced to do so by the actions of their citizens, who will increasingly escape through markets.

CHANGE BY DEGREE OR BY CONVULSION

Change by Degree or by Convulsion

The form in which change takes place, and therefore the intensity of the resistance to it, depends on its rate. Here is perhaps the most fundamental distinction between the market and government. In a functioning market with monopoly bottlenecks minimised and access to supply widened by topping up low incomes, decisions in adapting supply to demand are decentralised to individual undertakings or establishments—factories and shops, mines and docks, schools and hospitals. Change is organic, gradual, continuous, by degree. It affects relatively small numbers. Disturbance, dislocation, disruption are minimised. The “confrontations” in the market are small, and solved by higgling and haggling over price, the peace-maker.

In a state economy or state industries, decisions are centralised to planning boards, committees, commissions, councils, government departments, that nominally “represent” the very much larger number of workers, managers and consumers who will benefit or suffer. Change is therefore more likely to be opposed, repressed, inhibited, postponed. When it takes place it is contrived, jerky, discontinuous, lumpy, convulsive. Disturbance, dislocation, disruption are large-scale. Friction is inflated.

In a market there are therefore better prospects that change will be peaceful. In a government economy change is more likely to provoke tension, strife, and unrest, and, if it is suppressed, violence, bloodshed and civil war.

Since the end of World War II the British economy has become more and more resistant to change, and therefore more prone to discontinuous, “disruptive” change. The central government solidified the growing structure of variegated health services into “the” National Health Service, education into standardised schools, transport and fuel into nationalised organisations. Reorganisation, as in the NHS, cannot now come more often than, say, at 15-year intervals. Regional and local government has enlarged its activities, and made them more inflexible and “brittle.” Government supplies more or less monopolised services. And, far from their mystical role as “public” services

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making the attitude of their trade unions more sensitive to the wants of the public, their economic power to pass on high wage costs in high consumer prices has made them more vulnerable to the pressures of trade unions.

It is thus hardly surprising that, not least in the two personally most sensitive state services, education and medical care, adaptation and reform are thwarted by the trade unions, or at least by the officialdom that claims to speak for the rank and file. Even local experiments in reform, such as the education voucher in Kent, or small-scale variations, such as the 1 per cent of beds for which patients sacrifice other comforts to pay for privacy or informal contact with family, are opposed or openly defied by the trade unions, or by officials who regard the “public” services as private preserves.

Yet it is misleading to blame the unions, and certainly misguided to condemn working people. Most union activities, even if sometimes bereft of brotherly idealism, rest on two sources of power, both created by government: the trade union law as passed by Conservative, Labour and Liberal governments in 1875, 1906, 1946 and 1975, and the market power created by nationalisation in fuel and transport, by the welfare state in education and medical care, and by the more recent expansion of local government services.

The Unions, the Law and State-Created Monopoly

It is not so much trade union members that should be blamed, nor even the officials that lead them, even though often elected by derisory minorities. To adapt Shakespeare: as long as the law allows it, and the artificial state monopoly awards it, the trade unions will not surprisingly exert their power. Nor is there refuge in the amiable tendency to personify the power politics of trade union bargaining: to suppose that, if only (say) Mr. David Basnett or Mr. Moss Evans or Mr. Clive Jenkins could be made to “see sense,” all would be well. If “seeing sense” means settling for a lower wage than the state monopoly makes possible and the law allows the unions to enforce by strike-threat, picketing, immunity from action for damages, etc., the authority of the officials would be undermined by shop-stewards or others prepared to promise a harder line—as when incomes policies have widened the gap between approved and competitive pay. History and analysis indicate that the effective way to help Messrs. Basnett *et al* to “see sense,” and retain the adherence of their members, is to repeal the privilege clauses of the 1906, 1946 and other Acts and to denationalise the state monopolies.

“Confrontation” or Appeasement

The risk as seen by some in the press, Parliament and industry, is “confrontation” with the unions. Is “confrontation” inevitable? Or is there a choice of “confrontations”?

The delicate question is whether continuing appeasement of a growing power outside Parliament, yet created or tolerated by government and the law, is permissible if it prevents the adaptation of the British economy to underlying changes in the conditions of supply and demand, a consequence especially debilitating for a country that has to export a fifth of her domestic product to maintain her living standards and her influence in the world.

Business men, politicians and journalists anxious to maintain social peace look to incomes policy as a means of avoiding “confrontation.” Scarcity of resources impels man to make the best use of them. In so doing he must make difficult choices: in allocating resources of men, capital, land or money to some uses he must deny them to others. In a free society based on a market economy the “confrontations” take place on a small scale between buyers and sellers. And the differences are resolved by compromising on price. The larger the units of buyers and sellers, the larger the “confrontation,” and the larger the risks to civil peace. And at the other extreme to the market, in the state economy, the “confrontations” are massive, since they are the outcome of power exercised by a handful of men over masses of other men.

There are thus two aspects of confrontation that should be clear. The first, and more immediate, is that appeasement brings only a short “peace.” The choice is between little confrontations that ruffle tempers and big confrontations that risk social strife. The longer the “confrontation” is shirked, the more the paper tiger is pumped up into a bullfrog. The power of the trade unions does not lie so much in the power-hunger of trade union officials as in the failure to change the trade union law or to denationalise state monopolies—despite public opinion that would support both policies.

The second aspect is even more fundamental. The open society cannot long survive a power created or tolerated by Parliament that is invited to bargain with government. Down the centuries the British have disciplined the regional barons, the divine right of kings (bloodlessly in 1688 before it was too late, as the French found in 1789), the political church, the landowners, the House of Lords, monopoly business. The longer the disarmament of the monopoly unions is shirked, the more painful it will have to be. Even now it may be too late to disarm it without friction, as in the combative flying pick-

ets of 1972 and the violent picketing at Grunwick of 1977. The unions, perhaps unjustly, are being seen for the first time among ordinary people, not least “working-class” wives, as engines of tyranny. Their tyrannical power to destroy the open society by repressing open debate is frighteningly illustrated in the reluctance of seven publishers to accept a book because, the author thought about several of them, it might upset the printers.¹ (Two said as much.) If the unions can prevent the publication of opinions they (or a handful of officials) dislike, Orwell’s *1984* may not be long delayed. To suppress this consequence of continued appeasement is not to avoid confrontation but, by encouraging or misleading the unions, to provoke it.

Two important corollaries follow. First, those who wish to change society by revolution will resist small confrontations in the hope of building up steam for a disruptive “confrontation.” Second, those who say “no confrontation” either knowingly promote or unknowingly acquiesce in the increasingly state-dominated post-war economy that creates tensions, discords, frictions, and larger confrontations by its incursion into private lives.

“Public” Goods and Social Conflict

Why has the scope for conflict been widened by government action and, less obviously but no less harmfully, inaction? Such are the issues—the role and function of government in causing *avoidable* social friction—that have been, not surprisingly, ignored by politicians and, more surprisingly, by social and political scientists. The unnecessary encroachment of the state into the provision of non-public goods, which it must decide by the only process it can use—the majority procedures of “representative” machinery—has created tensions by the resentment of more and more individuals that their lives are *unnecessarily* subjected to irrelevant and prejudiced political and politicised procedures.

It has long been argued by sociologists, typified by the late Richard Titmuss, and by some economists that social cohesion required the provision by government of common goods and services—education, medical care and others—to be jointly shared and used by individuals who would thus feel more securely bound to one another as members of a society. Conversely, individual activities that diverged or deviated from the common behaviour, not least private education and medical care, were regarded as creating “social divisiveness” and were therefore objectionable. This was, at

1. Sir John Colville, “Dryden and the Guilty Men,” *Sunday Times*, 6 August 1978.

root, the moralistic/sociological rationale for (comprehensive) state education and the National Health Service, to which access was to be equal and unrestrained, and for the Welfare State in general. It is an ethos that still pervades all political parties. The more convincing explanation of social “divisiveness” is virtually the opposite: that, except in “public goods,” the supply by government of monopoly or near-monopoly services from which there is no escape by people they do not satisfy destroys social cohesion and creates social divisiveness.

The claim of the state to provide the citizenry with indispensable goods and services is strongest in “public” goods. In a sentence, the term describes defence, law and order, public health protection against contagious disease and other such goods that must be provided by government (or other collective associations) and paid for by compulsory taxes “voluntarily” agreed (or rather decided by majority or other fraction less than 100 per cent) because they cannot be refused to people who refuse to pay.² These services must be supplied (or organised) by government or not at all. Government is not efficient at supplying them, since it cannot know individual preferences. It is almost certainly true that it does violence to individual wishes: thus the state may decide on 6 per cent of GNP as the optimum proportion to spend on defence, but individual preferences may vary from the pacifists’ or Russophiles’ 0 per cent to the Russophobes’ 10 per cent. And much the same may be true of all other public goods. (A first attempt to measure the spread is made by the IEA in a new field survey in 1978.) But at least government has the reason of necessity for supplying public goods, and there is a general public sense that no other method is as feasible or convenient.

The issues are very different with non-public goods which do not have to be supplied by government at all. The arbitrariness, inequities, crudities and very rough justice in the decisions on the nature, scale and disposition of public goods are magnified many times in the use of the same political or committee majority machinery for non-public goods or services. Here is the genesis of potential social conflict in British society and elsewhere. Why?

Most of the activities of British government, national and local, are of this kind. It produces goods (coal, water, etc.) and services (transport, education, medical care, housing, libraries, fire services, job centres, refuse collec-

2. Technical accounts of “public goods” are in Maurice Peston, *Public Goods and the Public Sector*, Macmillan, 1972, and C. K. Rowley and A. T. Peacock, *Welfare Economics*, Martin Robertson, 1974. A simple short discussion is in A. Seldon, *Charge*, Maurice Temple Smith, 1977.

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tion, even some police services, and many others) that it does not have to supply. And it does so by the same necessarily coercive machinery of committees of one kind or another ruled by majorities as for “public” goods. Moreover, the people sense it. That is the source of much of the incipient social tension, friction and conflict, which will intensify the more such services government supplies and the longer it supplies them.

There are various forms of social conflict generated by the sense that services are imposed on individuals by the unnecessary political coercion of other individuals who happen to have, or have had, the control of the machinery of government by temporary majority (or even *minority*). The forms of politically-created conflict are numerous; among them are:

1. *Regional/national*: the Scots may think the more numerous English and Welsh in Westminster decide their education, medical care, many other services (and the taxes to pay for them); so may the Welsh about the English and Scots.
2. *Sectarian/religious*: the Northern Irish Catholics are subjected to unnecessary coercion by the majority of Protestants who use the political process to decide their education, housing and other aspects of their private lives.
3. *Racial/religious*: coloured immigrants (and white minorities) are needlessly coerced into having their children educated in state schools designed by white, Protestant majorities. Pakistanis may wish their daughters to be taught in single-sex schools, Catholics in Catholic schools. All must pay taxes for schools decided by “representative” machinery in which they are out-voted.
4. *Fiscal/entrepreneurial*: the minority of risk-takers, innovators, the exceptionally talented (in art, culture, sport, etc.) and the highly skilled are coerced by the progressive taxation voted by the majority of security-seekers, non-innovators, modestly talented, medium- or low-skilled.
5. *Employment-status*: the minority of independent-spirited self-employed are coerced by legislation (on employment security, etc.) prejudicial to small-scale traders, professional advisers, etc. (and their employees) passed to appease the majorities employed by large-scale units.
6. *Occupational*: majorities of established doctors, actuaries, lawyers, architects, printers, engineers, dockers, etc., legally coerce minorities