

David Triggs' long view



Whilst all human actions require a measure of consciousness, there is a marked difference between those that flow from mere appetite, and those which follow the mental process of discrimination. In the individual we see the need for discrimination to check the excesses that appetite might prompt. Likewise at the level of society there is a balance that has to be struck between those actions to be left to individual choice, through the operation of the market, and those which require conscious intervention by government to protect the common good.

The level of intervention needed seems to reflect both the quality and complexity of the society. Where goodness and neighbourly love prevail or the society is simple and division of labour rudimentary, little intervention may be called for. Where an economy is characterised by specialisation, acute interdependence and a reliance upon services provided by monopoly, more government intervention may be appropriate.

Likewise, what a person needs to prosper varies with time, place and circumstance. With economic development, services that were once exceptional and rare, may in time, become commonplace, normal, or even essential. This, I believe, poses an important challenge to governments (and students of political economy) similar to that which attends the unchanging need for people to have free access to land at the margins of habitation and production.

An example with which I am professionally familiar is that of public water supplies, particularly in developing countries, where effective demand exceeds the available supply. People in urban communities are normally obliged to obtain the water they need via a piped supply and it acquires what Henry George called a 'value from obligation'. Water (like land), is essential to human life, but (like land) may also acquire a value that reflects use for discretionary purposes. Water for amenity, industrial or agricultural purposes may be so highly valued by some within a community that they are happy to pay a high price for it. Where 'market price' (through a metered tariff) is deemed to be the appropriate means by which this scarce resource can be most efficiently allocated, the wealthy are able to afford to purchase the whole available supply—leaving others to suffer the hazards and expense associated with non-piped supplies. In fact, this reliance upon market forces and 'metering' actually ensures the piped supply is also contaminated—for everyone. Where demand exceeds supply, supply is rendered intermittent—and pipes empty: since all piped systems leak, and empty pipes leak inwards, the supply is contaminated every day! My challenge was to develop an uncontaminated water supply system so every household received the minimum quantity for public health purposes before any received more than that basic amount. On achieving this I found that the surplus could be marketed to reflect its value to the whole community and the revenue could be maximised.

If my 'safe water for all' (SWaFA) system is the application of an established principle, ie. that couples 'the optimisation of land use and the collection of the resulting rent for the community', could this principle see wider application? Could it be applied to other situations where 'value from obligation' arises as a consequence of development and public policy? Where services, supplied by public or private monopolists or near monopolists, that might once have been discretionary, have become virtually essential to economic participation?