# david triggs' long view

Throughout history, civilised societies from all corners of the globe have incorporated into their own laws the moral law that prohibits 'theft'. It is of fundamental economic significance, clearly associated with ideas about property and wealth.

Wealth is vital to civilised life. Without it people living within a society would be unable to satisfy even their basic, let alone their most refined, needs. The social problems we have come to associate with wealth arise not from the nature of wealth itself, but rather from attitudes to it and how it is acquired. So a proper understanding of the laws that govern the production and distribution of wealth – the object of the science of political economy, is vital.

What is wealth in the context of political economy? All wealth is valued for its ability to gratify human needs and desires. But while all wealth is valued not all that is valued is wealth. All that is supplied by nature – people, ideas, skills and all manner of human attributes and services may be valued, but these are not included in the term 'wealth' for the economic scientist. Land and labour are often confused with wealth. In reality, only when labour is impressed upon land and adds value is wealth produced. With the appearance of wealth however, comes the third key factor of production – capital, that portion of wealth used to facilitate the production of more wealth.

Wealth in the context of political economy, as distinct from what might be regarded as individual or personal economy, has an additional quality – 'value in exchange'. This quality lends to wealth its special liberating power. It forces people seeking to gratify their desires with the minimum of effort, to provide wealth for each other rather than for themselves directly. This enables them to devote their lives to such diverse pursuits as politics, journalism, farming, carpentry, manufacturing, trading, music and the arts, sport and leisure, religion and philosophy and much more besides. All this is possible through our pursuit of the process of exchange or trade – a uniquely human trait. Here is the production of wealth at its most profound.

Through exchange, the value created by the other modes of production – by moving, separating, recombining and growing that which nature provides – is encouraged and enhanced. With every free exchange, people receive more in value than they give. It is always win-win: exchange adds value and more wealth is always the result. Nobody invented or devised this wonder of civilised behaviour, it just seems to arise naturally when people come together.

Production, however, is not the only way to create exchange value. Human institutions can create it in things that are not wealth, through the granting of privileges for some with corresponding obligations on others. Since the value created in this way does not derive from production, there is no overall increase in the wealth available to humanity. Common examples include licenses, monopolies, patents, tributes, money, taxes, tariffs, slaves, and titles to land. When individuals or corporations claim such privileges, wealth is transferred from producers to non-producers without the producers receiving any corresponding wealth or service in exchange. Since these transfers follow not from any law of nature but from the laws and regulations that have been devised and adopted within society, the risk of error, theft or fraud, either deliberate or by default, is a constant danger to be guarded against. Where it is not, the production and distribution of wealth is compromised.