

thereby of equal rights, and the complex design of government to guarantee individual rights, culminating in the re-distribution of wealth to effect equality of access and services and the abolition of any form of private control that endangers the individual rights of citizens. This new political 'convergence' elevates four tenets: the subordination of representative democracy and economics to political preferences and by extension to the groups that control the parliamentary or governmental apparatus; the delimitation of private systems of control and accumulation; the state as administrator and redistributor of wealth; and the liberal sociological and philosophical ideal and promise of equality in rights and services.

Importantly this current political and philosophical IPE convergence has co-opted the pragmatic use of compromise necessary in parliamentary or republican systems to forward these principles under the guise of liberal democratic governance. Such a philosophical convergence suffuses the socialist doctrine with political realism and liberalised economics both of which are subordinated to nation state interest. It differs from marxian analysis in that it rejects the transitional stage theory, the subordination of politics to economics, the international class division of labour, and the proletarian ownership and eventual abolition of the state.<sup>206</sup> The modern contract is no longer one in which the sovereign is dependent upon the people. It is in fact a contract in which the people rely on the sovereign and the due processes around sovereign power. The ruled in most nation states have little power to affect constraints on the ruler. The USA and Switzerland would be notable exceptions to this general statement.

The critical component for the current nation state in this contract (and extensive control thereby) is the posited statist goal of egalitarianism and state ownership or control of the resources of production and distribution of wealth and control over consumption. This has meant in the West the practice of expropriation of private property (income streams) and capital (taxation, regulation, foreign investment controls, regulation and control of key industry sectors, FDI limitations), by the state. These expropriated monies are then redistributed in various guises to the working classes, those below

certain income ranges, people in certain regions, state sponsored industry sectors, health and welfare programs and state building programs of all sizes and shapes.

The degree and measure of state control and management of resources varies across nation states.<sup>207</sup> The trend is however clear—increasing state ownership of the economy. Governments in the EU control on average 50% or more of the economy. This is a remarkable progression from the turn of the 20<sup>th</sup> century when its share was less than 10 percent. The impact of such a system on democracy, political processes, individual freedoms, and liberties is a source of great debate. Not even Marx would have envisioned such a system of egalitarian redistribution and sharing and concern for marxian class dogma.

FIGURE 6: GOVERNMENT TAX REVENUE  
AS A % OF GDP<sup>208</sup>

	1900	1990	2001
OECD Average		35.10%	38%
Liberal/Anglo Saxon			
United States	6%	26.70%	29%
Britain	5%	36.80%	37.40%
Australia		29.30%	31.50%
Statist/EU			
Japan	NA	30.10%	28%
Germany	5%	35.70%	38.40%
France	6%	43%	45.40%
Netherlands		43%	43%
Sweden		53.60%	53.20%
Denmark		47.10%	49%
Norway		41.80%	41.90%
Canada		35.90%	37.20%
EU Average		39.50%	43.60%

Not factored into the above numbers are incomes from indirect taxation—namely regulations that would accrue an additional 12 % of GNP on average to the government's revenue base, not to mention the power embedded in government ministries that monitor, manage or regulate vast monopolies in the energy, resource, health care,