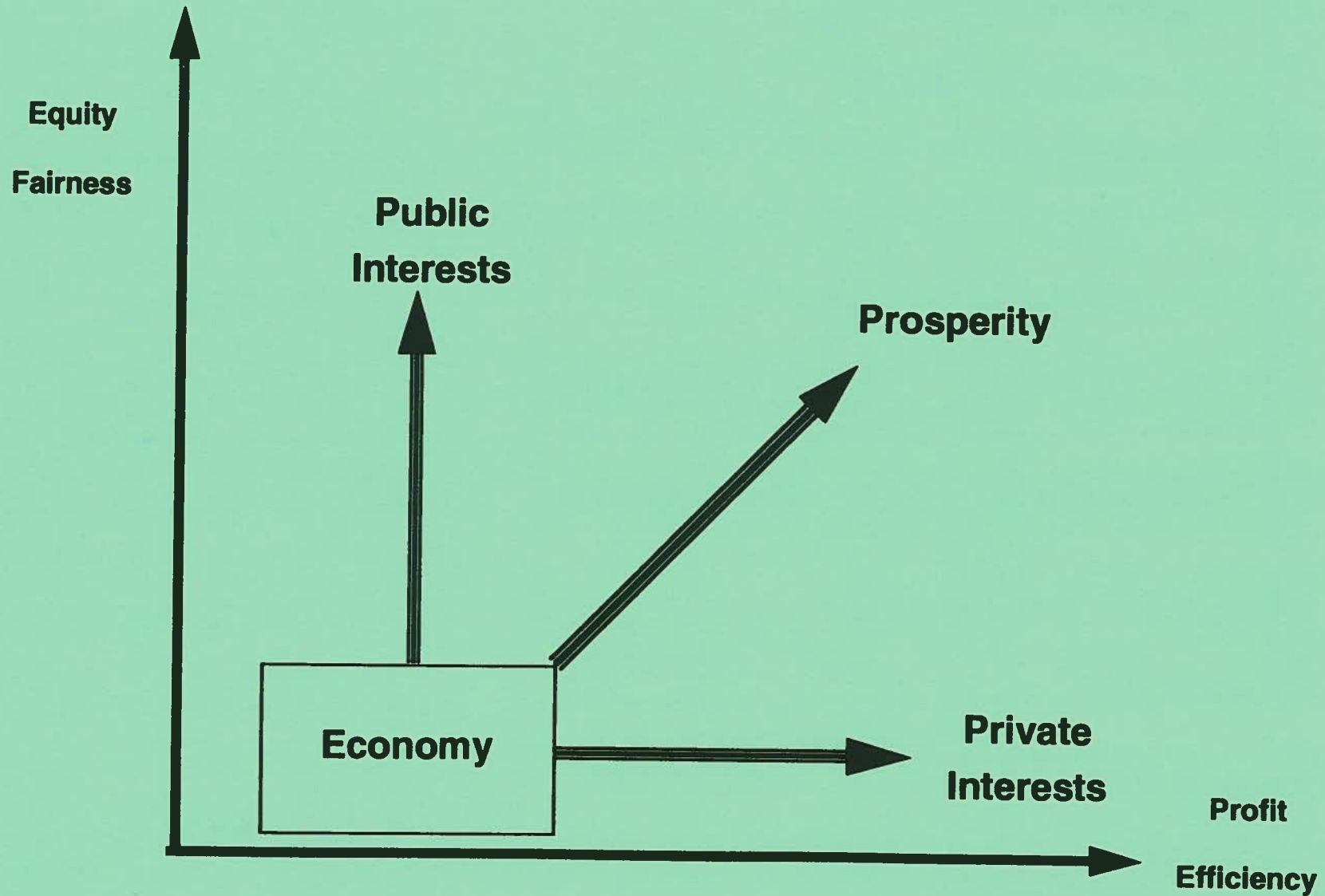
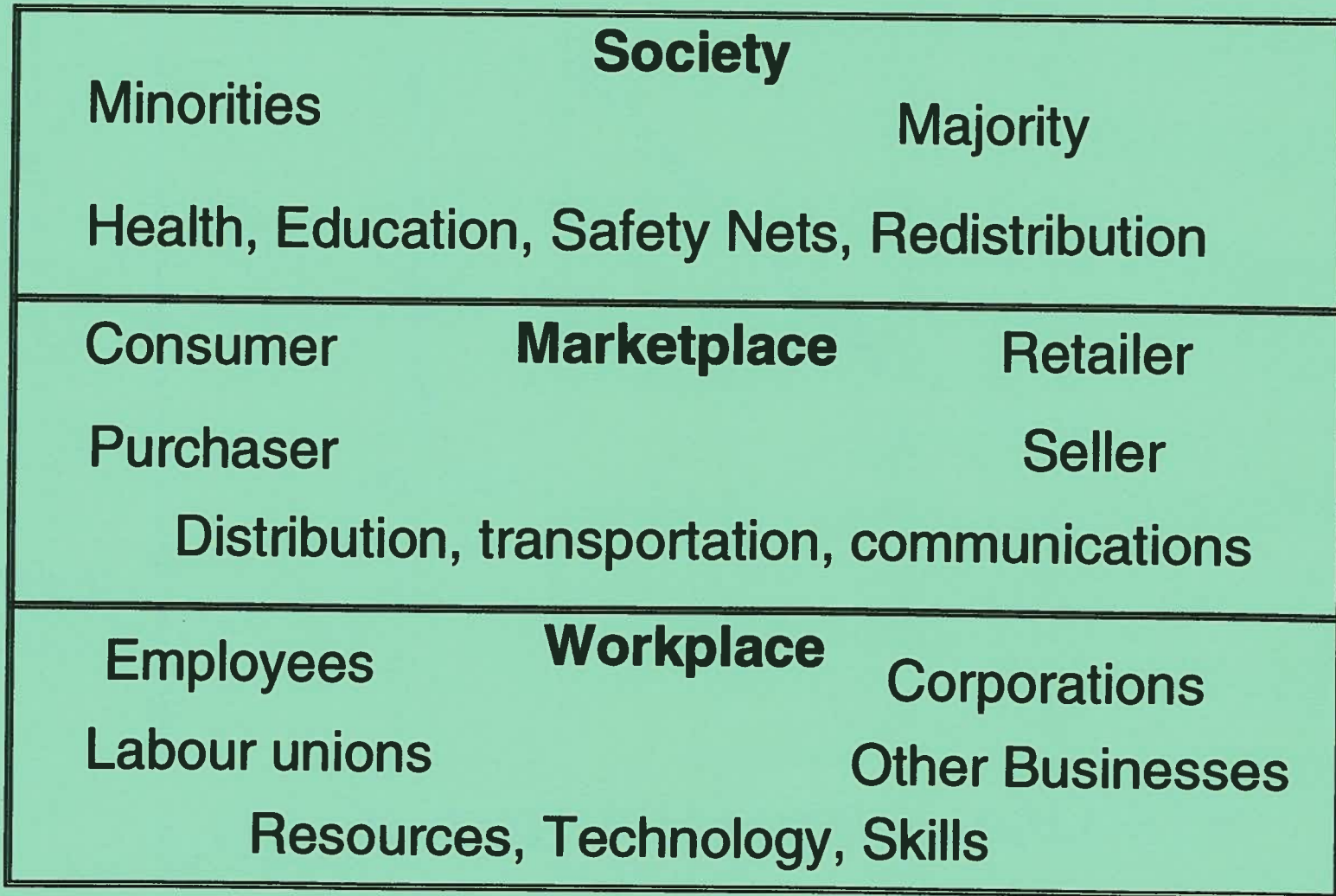


Public and Private Interests



The Boxes



The Framework

Tradition	External	The State
Caring Trust of state	International norms	Individual rights Constitution State responsibilities
Honesty Service	International agreements Standards	Contracts Competition law Property rights
Work ethic Discipline	Intellectual property	Corporate laws Labour laws

Linkages

International

Private

The State

Immigration Peacekeeping UN, OECD Television		Health and Education Social Programs Tax System Contracyclical policies
Trade Tourism GATT/NAFTA International capital flows		Regulatory programs Information programs Marketing Boards
Technology transfer Foreign Ownership International operations		State corporations Research and technology

Tools of Governments

A. Dollars - Subsidies, grants, tax expenditures.

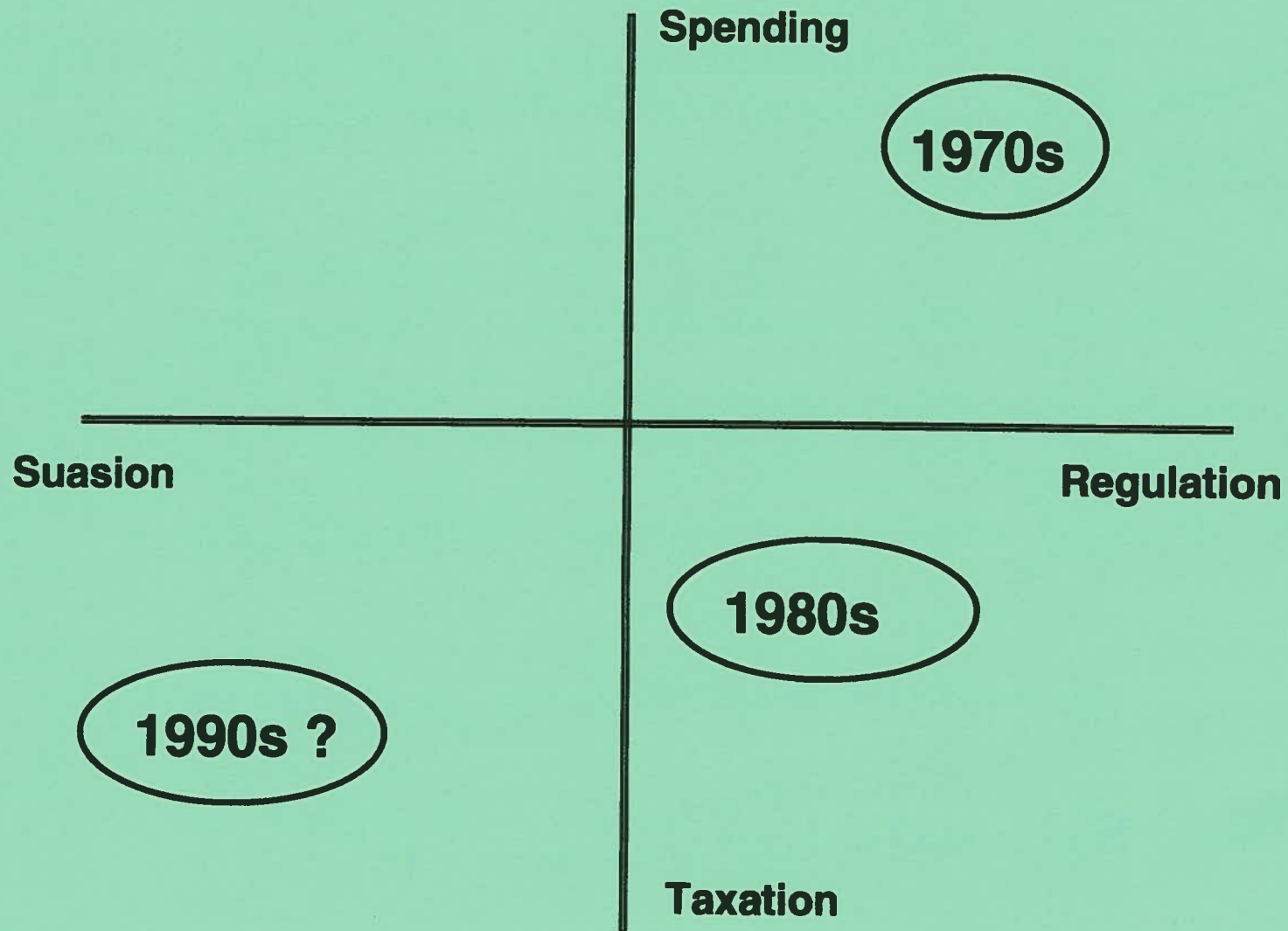
B. Spending - Infrastructure investment, provision and pricing of government services.

C. Rules - Laws and regulations, framework policies, mandated activities.

D. Suasion - Information activities, public messaging, demonstration projects, consultation.

Coordination - Harmonization of public and private sector activities, intergovernmental cooperation and coordination, consensus processes.

Government Options



Changing Context

FROM

TO

An era of elite
accommodation

An era of public participation
and powersharing

Commanding

Informing, persuading, leading

Doing things for
people

Getting people to do things for
themselves

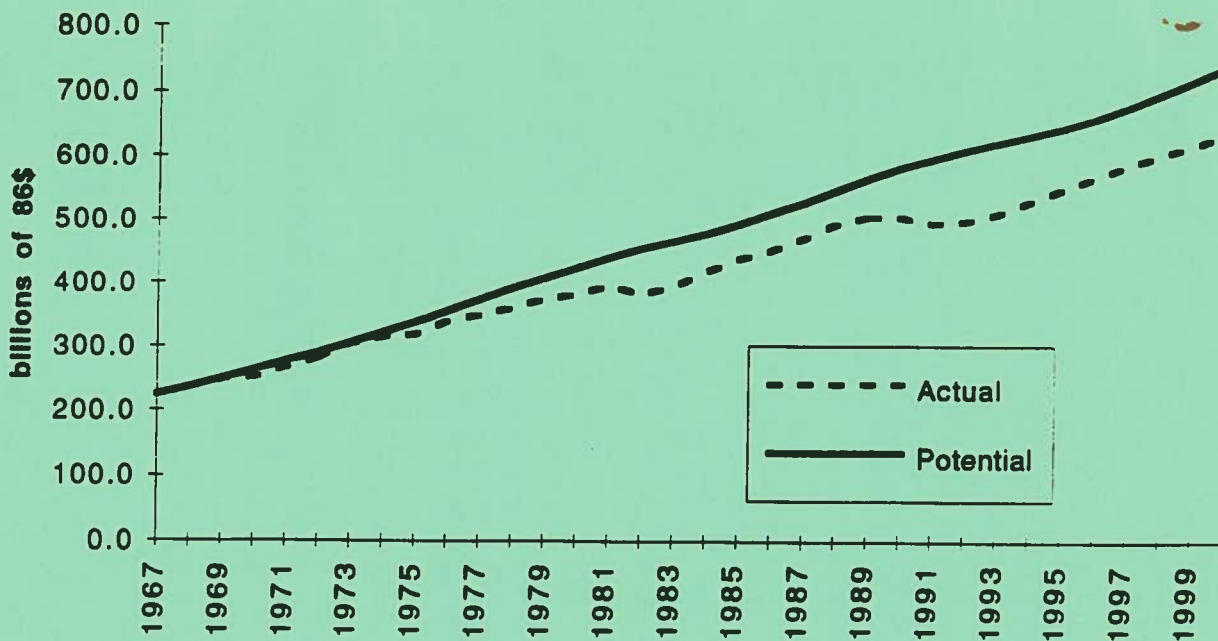
Government
regulation

Voluntary standards, self-
regulation

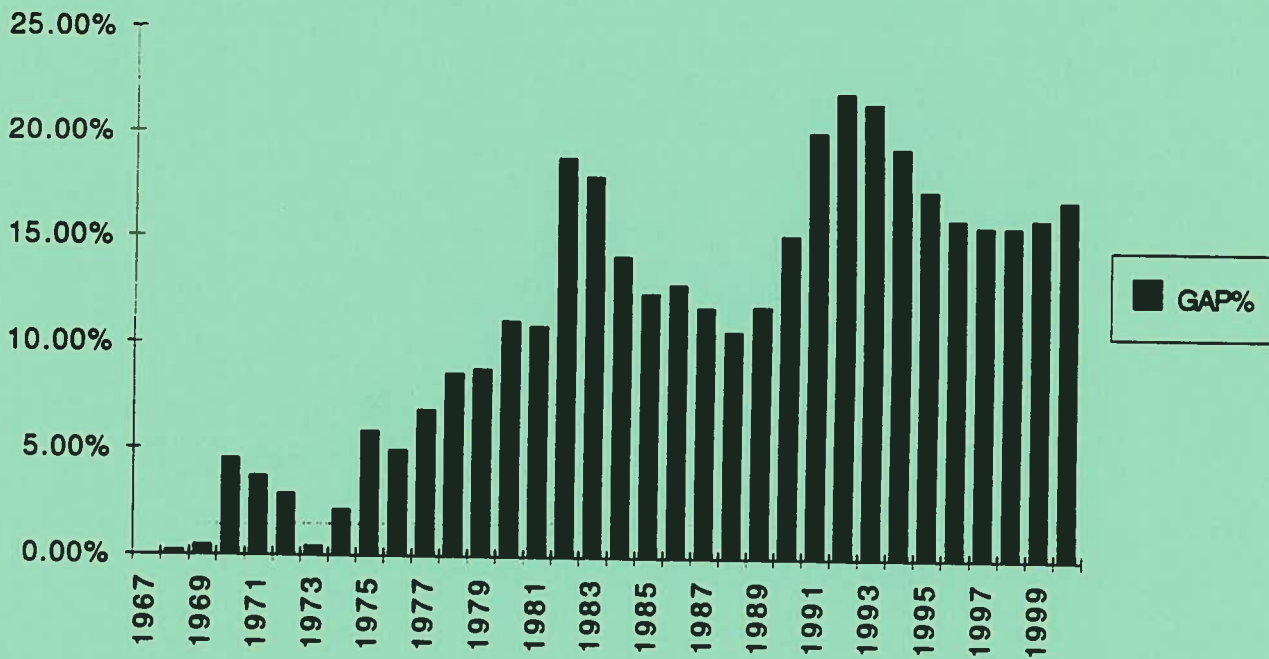
Setting the rules

Setting the example and
providing the vision.

GDP at Factor Cost



GAP%



Potential Output				
	(billions of 1986\$), GDP at Factor Cost			
year	Actual	Potential	Gap	GAP%
1967	223.1	223.1	0.0	0.00%
1968	235.3	235.8	0.5	0.21%
1969	248.3	249.5	1.2	0.48%
1970	252.3	263.8	11.5	4.56%
1971	267.1	277.1	10.0	3.74%
1972	282.2	290.5	8.3	2.94%
1973	304.4	305.8	1.4	0.46%
1974	315.6	322.5	6.9	2.19%
1975	320.0	338.8	18.8	5.88%
1976	339.3	356.2	16.9	4.98%
1977	350.1	374.2	24.1	6.88%
1978	361.1	392.2	31.1	8.61%
1979	375.1	408.2	33.1	8.82%
1980	382.0	424.4	42.4	11.10%
1981	397.1	440.2	43.1	10.85%
1982	382.6	454.7	72.1	18.84%
1983	395.0	465.9	70.9	17.95%
1984	418.7	478.0	59.3	14.16%
1985	438.4	492.8	54.4	12.41%
1986	451.8	509.8	58.0	12.84%
1987	470.0	525.3	55.3	11.77%
1988	492.6	545.0	52.4	10.64%
1989	504.7	564.4	59.7	11.83%
1990	504.5	581.1	76.6	15.18%
1991	494.9	594.5	99.6	20.13%
1992	497.9	607.4	109.5	21.99%
1993	509.3	618.8	109.5	21.50%
1994	527.6	629.7	102.1	19.35%
1995	546.6	641.3	94.7	17.32%
1996	566.3	656.7	90.4	15.96%
1997	583.7	675.1	91.4	15.66%
1998	601.0	694.9	93.9	15.62%
1999	616.7	715.2	98.5	15.98%
2000	630.2	736.7	106.4	16.89%
Sum from 1967 through 2000			1804.0	