

The cappuccino economy is having a double espresso

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This week has provided telling evidence that when all else fails people expect government to work.

I've not noted the presence of the private sector in dealing with flood problems.

Nor, come to that, have I yet heard mention of its role in any solution (though I suspect it will, very soon, be a good time to be a plasterer).

The fact is that when it comes down to it this suggests that my theory of the Cappuccino economy has much going for it.

The foundation of a cappuccino is strong black coffee. That, in my metaphor, is the state. It is the foundation on which the private sector economy - the hot frothy milk - can be built. And right on the top, whether chocolate or nutmeg, is the topping that is used to persuade us that all the exciting things in life come from the frippery only the private sector delivers, and which does, therefore, apparently justify the view that only it adds value.

Actually, as the cappuccino proves, to be successful this lot have to be found in combination, but that's a fact that we often ignore until crisis arrives. And then we resort to a black Americano, or even a double espresso, as we are right now.

There's more on this idea in [Chapter 5 of The Courageous State](#).