

The power of capital well used

Published: January 13, 2026, 3:48 am

I am on holiday. I suspect that is obvious from the relative lack of action on the blog. In the process of going away I am fulfilling a long made promise to my youngest son: we are touring the narrow gauge steam railways of Wales, something only possible because his elder brother, who would have no interest in these things, is on a school trip.

Three things strike me about these railways.

The first is that so much capital was invested in them with such lasting benefit, albeit not always that anticipated. Of course the circumstances were different from now when some (such as the Ffestiniog) were built, and we would not wish to replicate the economic conditions of that time today, but that's not my point. What did happen was that capital was used for profit in ways that delivered considerable long term social gain. That is an increasingly rare phenomenon now. Paul Mason in his book *Post Capitalism*, which I am reading whilst away, looks at this issue. I recommend his analysis.

Second, the railways as they are today are largely the result of the unpaid labour and effort of untold numbers of people. It never ceases to amaze me that people are so resourceful when not being paid to do something, and yet are so often asked to perform well below their potential when employed. We put so much attention on the paid economy and yet so often it fails so spectacularly to provide the work people need of to use their talents to best advantage. Whilst the emphasis of so much study of business continues to be on the executives and what they get up to that will remain the case and we will continue to have a productivity crisis in UK business that is wholly unnecessary when it is so obvious that there is so much untapped talent in the UK paid economy.

And third, it strike me that the agent that has done most to release this talent of late are those publicly funded bodies that have enabled some of these railways to be restored. I am thinking, for example, of the millions invested by local authorities and others in the Welsh Highland Railway. I am sure there are many who would argue that the state should have no part to play in such activity. I disagree. When there is no

private capital now available for such schemes it is the state that needs to develop such projects in partnership with enterprising individuals who can deliver real economic gain for a region but do not have the capital required to do so. This is a totally appropriate use for state capital funding from which very large numbers benefit.

The point is we have moved a long way. Capital no longer takes risk. Real enterprise is all too often found in the voluntary sector. It is the state who has to fund much innovation because business prefers financial speculation. And despite this we are told it is markets that are our salvation and too many people believe that is true. I have to wonder why this belief continues and keep concluding that it is only the power or propaganda that sustains the argument when the evidence suggests that a cooperative model of engagement within the broader economy can deliver so much more for us all.