

THE NEOLIBERAL MANIFESTO

A freer and more
prosperous Britain

edited by

Matthew Lesh

Jack Powell

Matt Gillow



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FOREWORD

MADSEN PIRIE & EAMONN BUTLER

When the Adam Smith Institute was founded in 1977 the United Kingdom was on its knees, crippled by the so-called ‘post-war consensus’.

Then in 1979, Britain elected a revolutionary government that implemented far-reaching liberalising reforms to the economy.

Forty-two years later and we find ourselves at a key moment again: British politics is on the cusp of another decisive shift.

As neoliberals, we are excited about the future. We believe that the gridlock consuming British politics is as much an issue of tired solutions to economic and social challenges as it is an issue of deadlock on Brexit.

The Adam Smith Institute has partnered with 1828, a neoliberal opinion website founded in 2018 to champion economic and social freedom, to write The Neoliberal Manifesto. It is our blueprint to address the challenges facing Britain today.

INTRODUCTION

MATTHEW LESH & JACK POWELL

“Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and a tolerable administration of justice: all the rest being brought about by the natural course of things.”

– Adam Smith, The Theory of Moral Sentiments (1759)

“May you live in an interesting age,” goes the old saying — often misattributed as a Chinese proverb.

Politics as we know it is realigning. Ideologies that were long thought to be dead are re-emerging. There is a growing dislike of our politicians and institutions.

For many, this is scary. There have been millions of words written bemoaning our times.

That’s not the purpose of this manifesto.

We believe that with uncertainty comes opportunity, particularly for

those willing to spell out a persuasive and positive vision.

In this manifesto, we have sought to tackle today's policy challenges. Each chapter outlines the issues along with the neoliberal goals and solutions. We believe that these ideas will deliver a freer and more prosperous Britain.

CHAMPIONS OF FREEDOM

At our core, neoliberals are champions of freedom.

We believe that the role of government is to protect and facilitate your liberty to flourish — as long as you do not interfere with others doing the same.

The neoliberal believes that society is built from the individual up and not from the state down. We believe in the power of individuals to voluntarily self-organise, in businesses, charities, and other community groups for their own self-fulfilment.

We believe that all individuals are of equal moral worth, and deserving of dignity and protection of their rights, no matter their immutable characteristics.

We are liberal consequentialists. We ask: does this policy increase an individual's ability to flourish without restricting their liberty? If so, it is an idea we can support.

The neoliberal supports free markets, which have proven the most effective method to deliver prosperity and safeguard individual liberty. Markets effectively allocate scarce resources and encourage innovation. We support property rights, low taxes, and minimal nec-

essary regulation.

We support limited, effective redistribution to enable the life chances and opportunity for the poorest — but we are wary that even the best-intentioned safety nets can entangle individuals.

We support other necessary market intervention to address externalities, but we reject the arrogant creed of paternalism.

The neoliberal is a rational optimist: we accept the overwhelming evidence that the world is getting better and expect it to get even better in the future. While we support targeted foreign aid, we understand that institutions such as markets, the rule of law, free trade, and property rights are the most effective poverty alleviation tools known to humankind.

The neoliberal is cosmopolitan and outward-looking by nature. We believe that the nation-state serves a useful purpose, but we also care about the welfare of all individuals regardless of nationality. As such, we embrace immigration and the benefits it brings.

In the past, the word “neoliberalism” has been twisted by those seeking to manufacture a strawman on which to blame every societal ill.

It is time for a positive vision — and here it is.

TRADE

A GLOBAL, PROSPEROUS BRITAIN

MATT KILCOYNE

Free trade is one of the greatest forces for good that humanity has ever devised.

It is responsible for lifting billions out of poverty and ending the scourge of hunger and preventable diseases for a majority of the global population.

But today free trade is under threat from protectionist politicians, self-serving corporate lobbyists, short-sighted environmental activists, and growing tariffs and regulations.

Free trade is central to neoliberalism.

It serves our instinct to be open to the world, supportive of market specialisation and exchange and our thirst for poverty alleviation and economic growth.

Consumers benefit from free trade because of greater variety, lower prices of goods and services, better quality and competition that drives innovation.

Protectionist restrictions — such as tariffs, subsidies, exchange controls and regulatory barriers — undermine these benefits and must be rejected.

Neoliberals believe in both unilateral trade liberalisation, such as cutting tariffs, as well as pursuing truly liberal trade deals that remove barriers on both sides.

Neoliberals, following the teachings of Adam Smith, believe consumers must always be put at the centre.

This means understanding that the main benefit of trade is the imports we obtain, not the exports we give up. The more imports we can buy per export the better.

For too long international trade has focused on regulatory harmonisation, as epitomised by the European Union's single market.

These harmonised regulations have been captured by corporate interests and have been excessively restrictive, undermining competition and innovation and limiting consumer choice.

Britain's exit from the European Union presents a golden opportunity to take back control of trade policy and lead the world in liberalising.

We should seek to pursue open trade with the EU and the rest of the world.

This starts with unilateral removal of domestic barriers to trade as far as possible, along with liberalisation of domestic production.

In any trade agreements done on a bilateral or multilateral basis, neo-liberals should push for an increase the level of liberalisation within them — such as tariff reductions, facilitation of customs clearance procedures, increased and anti-discriminatory public procurement rules, mutual recognition of standards, data sharing agreements, services trade access and reduced barriers to investment and ownership.

When barriers to trade are brought down we should commit to keeping them down forever.

It's good that the UK has agreed to keep and expand tariff-free access for goods from the least economically developed countries in the world.

But we should go further and reject the graduation of countries that escape poverty back into a system of tariffs and trade barriers.

The reduction in trade barriers is helping these countries develop. No country should graduate into new barriers as they get richer.

It should be made legally incumbent on any British government that they do not increase tariffs on any country within the OECD outside of WTO parameters on dumping and retaliation.

In order to increase the benefit of migration to individuals, communities and businesses we should supplement visa access with mutual recognition of professional credentials.

Whether it's doctors, nurses, teachers, or policemen, workers should be able to use their skills in new countries — especially where there is

a common language and there are similar institutions.

The global trade system as we know it is sitting at a crossroads, with stalled negotiations and growing protectionism.

It's time for a truly Global Britain to lead the world back to free trade.

HOUSING

BUILDING MORE HOMES

MATT KILCOYNE & MATTHEW LESH

Britain is facing a housing crisis.

House prices have increased by 450% since the 1970s, a million more young people are now living at home and homeownership is in decline while rents are skyrocketing.

This has a serious impact on our economy and lives.

It prevents people from living near better jobs and in economically vibrant metropolitan areas.

It means that families cannot afford the space to have the number of kids they want.

It means workers have long and arduous commutes.

It forces young adults to live at home or share space with large num-

bers of people.

Neoliberals believe that the only way to solve this crisis is to allow more houses to be built.

Some blame the housing crisis simply on historically low interest rates, “land banking” and greedy speculators. They propose expensive, economically self-destructive solutions like rent control and state-built housing.

Housing does not need more state intervention, it needs less.

In a competitive market, a good or service sells at close to the cost of production. If there is a gap between the cost of production and the price, new entrants can enter the market. But if the gap continues, it is a sign that there is a legal monopoly or regulation limiting supply.

In London, houses cost about £150,000 to build but about £600,000 to buy.

In the United Kingdom, our planning system stifles the housing market and prevents us from building more homes. It is so unpredictable that housebuilders stockpile permissions in land banks to guarantee a steady supply.

This does not have to be the case. In Atlanta, the cost of a house is roughly the price it costs to build it, and in Tokyo, the price is only somewhat more. Both places have faced the declining global interest rates that pushed demand for housing up without seeing prices rise.

This is because in Atlanta and Tokyo when prices go above cost, entrepreneurs can build more houses.

In practice, neoliberals propose a number of policies to address the crisis. We believe in smart, politically viable solutions.

This starts with proposals developed by the Adam Smith Institute in conjunction with John Myers of London YIMBY.

Myers proposes letting individual streets grant themselves planning permission to extend or replace buildings in conjunction with a design code chosen by the street. This proposal could allow up to 5 million new homes in London while making existing homeowners two to three times better off and beautifying streets by turning semis and bungalows into traditional terraces.

We also believe in abolishing the misnamed “green belt” system and replacing it with something fit for the present day. ASI research shows that if just 3.7% of London’s green belt was released, one million homes could be built within walking distance of railway stations. We can also allow the building of houses on brownfield sites, heavy agricultural land and even petrol stations on the green belt.

We can create hundreds of thousands of pounds of extra value for each house we allow to be created in the UK.

Economists estimate you could add something like half a percentage point to growth for decades if we had a more liberal housing regime.

Our planning system was designed in 1947, in the context of cities depopulating after the war. The world has changed a lot since then, and it is time for our policymakers to catch up.

TAX

A FAIRER, MORE EFFICIENT SYSTEM

SAM DUMITRIU

As neoliberals, we recognise the power of markets to allocate resources to their most valuable uses and to incentivise the innovation that underpins our long-term prosperity.

Taxes, while necessary to fund public goods and enable redistribution to alleviate poverty, interfere with that market process in two key ways.

First, they can create unnecessary bureaucracy.

Tax systems ought to be as simple as possible.

If a tax system becomes too complex, for instance by creating special deductions for various favoured activities, then time that could otherwise be spent on economically productive activities will instead be spent on tax preparation.

Tax accountants and employees of Her Majesty's Revenue and

Customs are typically highly skilled, if they were not employed managing tax complexity then they could instead be entrepreneurs, teachers, or scientists.

Bureaucracy distorts competition too.

A complex tax system isn't a pressing problem if you can afford to spread the fixed cost of an accounting department over millions of sales. SMEs and startups don't have that option.

Second, and more importantly, taxes can distort market outcomes.

Markets are valuable because they allow decentralised prices to allocate resources and incentivise innovation. If the price of a good is high, then it incentivises individuals to economise on consumption and entrepreneurs to develop cheaper substitutes.

Taxes create distortions when they alter the payoff to different patterns of production and behaviour. By interfering with this process, distortionary taxes make us poorer.

There are special cases where markets are not capable of pricing in externalities (such as pollution or congestion).

In these cases, taxes can correct distortions by incentivising consumers or producers to change their behaviour. However, it isn't possible to fund a modern state by taxing negative externalities alone.

The Laffer curve demonstrates that a higher tax rate will not necessarily lead to more revenue for the Exchequer. But revenue alone is not a reason to increase or lower taxes. Tax rates should be set at the level that maximises growth, not the level that maximises revenue.

The objective for neoliberals then should be to reform the tax system to ensure that revenue is raised in the least distortionary way possible.

We should prioritise the following two tax reform agenda items:

Firstly, eliminating biases towards consumption today at the expense of consumption tomorrow.

The most egregious example is corporation tax, where current expenditures can be deducted immediately from taxable income, but capital expenditures must be deducted over a longer period of time discouraging long-term investment. Allowing capital expenditures to be expensed in full immediately would be a massive improvement and would lead to higher wages in the long-run.

Secondly, abolishing transaction taxes such as stamp duty.

There is agreement across the political spectrum that stamp duty is a bad tax. In general, taxes on transactions create massive distortions. One study found that 1pp increase in stamp duty leads to a 20% fall in housing transactions. We should abolish stamp duty and make up the lost revenue by reforming council tax so it taxed properties at around 10-15% of their rental value up the scale, as if VAT was on housing services.

These reforms are essential to delivering a fairer, more efficient tax system.

IMMIGRATION

AN OPEN, OUTWARD- LOOKING AND THRIVING HUB

JACK POWELL

Neoliberals are proud champions of immigration.

Leaving the European Union provides an opportunity for the United Kingdom can be a more open nation: reviving old alliances and creating new friendships, enabling our citizens to travel and work across the globe and offering the opportunity for newcomers to come to Britain.

Neoliberals support immigration both to help individual migrants and because it benefits the United Kingdom.

Immigration to the UK has boosted productivity and per capita GDP while having little or no impact overall on wages.

Immigrants are also net contributors to public finances. In 2016/17, for example, the average adult migrant from the European Economic

Area (EEA) contributed approximately £2,300 more to UK public finances than the average adult currently living in the UK. EEA migrants typically incur less public spending than natives too.

Immigrants themselves are typically more entrepreneurial than natives. In 2017, 12.9% of immigrants to the UK were early-stage entrepreneurs, compared to 8.2% among the UK-born population as a whole. Almost half of the UK's fastest-growing businesses have at least one foreign-born founder. When it comes to unicorn start-ups, it rises to nine in 14. Companies that Britons use day-to-day, from Deliveroo and Just Eat to Monzo, TransferWise and Revolut, have migrant founders.

Neoliberals believe in building a popularly-supported, economically-beneficial, open migration system. This means defending free movement as far as is practically possible, both with the European Union and beyond.

We support CANZUK: the proposal for free trade and free movement between Canada, Australia, New Zealand and the United Kingdom. A poll by CANZUK International of 13,600 people across all four countries found strong support: 68% in the UK, 76% in Canada, 73% in Australia and 82% in New Zealand. This could even be extended to the likes of Singapore, Hong Kong and the United States of America.

Beyond the potential for free movement, the UK is yet to develop a post-EU migration policy.

We believe this should be as open as possible.

Points-based systems can be excessively bureaucratic, involving the government picking certain occupations for special treatment.

We believe that individuals and businesses are better placed to make decisions about what type of immigration-system is needed than a remote government bureaucrat.

A much better, market-based system would allow individuals and businesses to bid in an auction for access to a permit to live and work here. The price would signal the value of the visa, with it going to whoever is willing to pay the most. These migration permits could also be tradable, allowing for access to more as required.

An auction-based system would allow businesses to choose workers according to the skills they demand rather than the government.

Another alternative would be an insurance-based system. For example, the government would welcome those who wish to come to our country, but it would require them to purchase third-party liability insurance before arriving so that they were covered for potential medical costs and social security demands.

Neoliberals believe that the obsession with numbers of immigrants — and, more to the point, cutting those numbers — has to stop. We understand the need for control, but we do want to ensure that we are open to the talent and skills that our businesses demand, while also allowing the opportunity to move for people who simply want to seek a better life.

As economies and societies across the world become closer than ever before, the countries that embrace globalisation will be the most successful. The ones that choose to pull up the drawbridge will stagnate and decline.

Only with an open approach to immigration can we look ahead to a freer, more prosperous and truly global Britain.

EDUCATION

BUILDING MORE CHOICE AND INCREASING QUALITY

MATT GILLOW

Education is an essential part of our lives.

Education defines the future of our society and helps us progress from generation to generation.

Education helps build a more inclusive, accepting society.

This is why we must get education right, across all levels.

Neoliberals believe our current state-centric system is failing to ensure good outcomes.

To improve this we need parental choice, we need to free up schools so they can deliver how they know best and we need to be willing to experiment.

The current system, with limited choice for parents and burdensome

regulations on teachers, is a postcode lottery in which the quality of your education depends on where you were born.

Choice in education has a positive impact on social mobility, institutional accountability and standards across socio-economic groups.

School choice programmes in the United States have been shown to strengthen the “civic virtues” in young people.

From developing countries like India to post-conflict settings, such as in Liberia, private and community providers have emerged (and thrived) to fill a void left by inadequate government provision.

Improving choice in education can better engage children — and encourages them to go down pathways which better match their interests and passions. Evidence shows that parents from all socio-economic backgrounds value and utilise choice.

Giving parents a greater say over their children’s education increases their involvement in schooling and ramps up the accountability of educational institutions.

Free schools in the UK, first introduced in 2009, has been one of the most successful British education policies in decades.

Free schools are funded by the government but aren’t run by the local council. They have more control over how they do things. They’re “all-ability” schools, so can’t use academic selection processes like a grammar school — and have more flexibility over things like teacher pay, school terms and opening times.

Free schools are 50% more likely to be rated outstanding by Ofsted than other types of schools. They’re more likely to be set up in poorer

areas — with three times more free schools in the most deprived local authorities compared to the least. Only 2% of schools in the UK are free schools — but they boast 4 of the top 10 schools in terms of Progress 8 scores.

But the programme, and the general roll-out of greater choice in our education system, is faltering.

Stymying policies include changing the regulatory framework around free schools, only allowing them to open in areas where there's a shortage of places.

This has undermined the essential element of innovation and competition and prevents free schools from being the envisioned drivers of progress and standards in British education.

Education is the key to improving social mobility, addressing inequality and boosting innovation across industries and disciplines.

Many of the best education systems in the world are those in which choice is a key principle — for teachers, parents and students.

In Finland, choice is strong at all stages of education: admission to all schools is determined by, firstly, pupils' choices and, secondly, their grades in compulsory school — without any concern for arbitrary catchment areas.

Experimentation, and deviation from international norms, is common — formal schooling starts aged seven, school days are often shorter than in the UK and teachers must have a master's degree. On PISA rankings, Finland consistently ranks around the top.

Choice in education is the acceptance that there isn't one size that

fits all students. Voucher systems — most famously brought into the public debate by Milton Friedman and being tested in Sweden — would be one way to give poorer students access to private schooling and increase choice for parents.

Not only does injecting choice into the system hugely improve league table standings, but it gives teachers more agency, parents greater investment and encourages students to engage more with their own interests.

By jump-starting the floundering free schools project and giving headteachers and teachers the freedom to put to use their expertise, we can start an education revolution in the United Kingdom.

HEALTH

CREATING A WORLD-CLASS HEALTHCARE SYSTEM

JACK POWELL & MATT GILLOW

Neoliberals believe that markets best allocate scarce resources and encourage innovation. We also believe in the principle of universal healthcare. Those two beliefs are often depicted as mutually exclusive — they are not.

Despite religious-style proclamations of love for our healthcare system, the figures show that the NHS's record is deplorable.

A Commonwealth Foundation study indeed says that the UK is the best of all the healthcare systems in the ranking. But the study's "health outcomes" section — surely the only metric that truly matters — ranks the UK at 10th place out of 11.

A *Guardian* article summed it up best: "The only serious black mark against the NHS was its poor record on keeping people alive."

World Health Organisation research published in *The Lancet*

Oncology journal found that when compared with Australia, Canada, Denmark, Ireland, New Zealand and Norway, the UK ranks at the bottom of the table for bowel, lung, stomach, pancreatic and rectal cancer, second-worst for oesophageal disease and third worst for ovarian cancer.

An Institute of Economic Affairs report revealed a similarly disturbing set of results. The research showed that if the UK's breast, prostate, lung and bowel cancer patients were treated in Belgium or Germany instead of by the NHS, more than 14,000 lives would be saved each year. If the UK's stroke patients were treated in Germany, Israel or Switzerland instead of by the NHS, more than 4,300 lives would be saved each year.

Far-reaching reform is necessary.

It is simply not true that the NHS is the “envy of the world”. No other country in the world has chosen to replicate our healthcare system — and looking at the statistics above, that is not at all surprising.

We believe that the UK should emulate the social health insurance systems as exist in countries such as Switzerland, Belgium, the Netherlands, Germany and Israel, among others.

Under these systems, individuals pay regular contributions — as they currently do for the NHS through taxation — to their chosen insurer. They are then free to seek treatment from a medical provider of their choice and their insurance company subsequently reimburses the provider for the expenses incurred.

With a social health insurance system, you don't need the state to own or subsidise hospitals, or control policy from the centre, you simply need it to regulate the system to a satisfactory degree and provide

a basic level of insurance to those who require state help.

What distinguishes social insurance from conventional private insurance is that under the former, insurers cannot vary premiums in accordance with individual health risks, they cannot reject applicants based on their medical history, they cannot accept only the healthiest in society and they cannot rule out coverage for pre-existing conditions.

We recognise that Britons have a strong emotional attachment to the NHS's noble principle: that healthcare should be available to all, regardless of one's ability to pay.

Socialised insurance offers the best of both worlds: it combines the principle of universal healthcare while also incorporating crucial market mechanisms which drive up standards: competition, individual choice and the freedom to innovate.

Making this distinction between the social health insurance model and the system that exists in the US is key. The choices are not simply the American system or the NHS with no in-between.

The architects of the NHS were visionary radicals who abandoned the status quo of their time, but we should not be so naïve as to think that their model was built to last forever.

We must accept that sometimes even a country's most cherished institutions have an expiration date — otherwise we are simply protecting the past at the expense of the future.

So instead of putting an ideological obsession with the state owning and operating everything before clear evidence, we believe that we should design a system that retains the noble principle of universal

healthcare, but one that also integrates the social insurance features used throughout Europe.

Because we can have a world-class healthcare system or we can retain the status quo — but we cannot have both.

TECHNOLOGY

MAKING THE FUTURE AWESOME

MATTHEW LESH

It has become all too easy to paint a negative picture of the present and future of technology.

Fake news. AI destroying jobs. Killer robots. Trolling and bullying. Social credit scores. Listening to phones. Facial recognition surveillance.

In popular culture, we often see the trope of a technology-driven dystopian future: from many episodes of *Black Mirror* through to George Orwell's classic *1984*, *Gattaca* and *I, Robot*.

But we neoliberals reject the doomsayers. We are techno-optimists.

Neoliberals accept that there are challenges that lay ahead — but argue that we must embrace the technological innovation that is the core driver of progress, higher living standards and new opportu-

ities. Technology helps us fix society's problems — from climate change to road fatalities.

Thanks to technology the average Briton has a higher standard of living than even a king did a century ago.

We have access to modern healthcare, to foods from across the world and the ability to communicate and learn new information at almost no cost on our smartphones. This was practically almost all unimaginable to even an aristocrat in the 19th century.

Meanwhile, our jobs are safer, higher-paid and more interesting than ever before. What we are doing may have changed — there are very few blacksmiths and a lot more programmers — but we are experiencing record employment despite fears about AI taking our jobs.

In 1942, the economist Joseph Schumpeter's described how "creative destruction" is inherent to the capitalist system. Creative destruction is this "process of industrial mutation ... that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one."

The new structure has continuously made us better off.

As we have learned to produce more with less, how we use our time has changed: we are working less and have more leisure time; we are working in start-ups and not just on farms or in factories.

There are a lot of cool new technologies on the horizon, from lab-grown meat that could end farmed animal cruelty to superfast 5G mobile networks and diets customised to our genetics.

How should policymakers respond to make these technologies a

reality?

The neoliberal answer is: get out of the way.

We believe in the power of people to work together to develop new ideas for the betterment of humanity. But, as shown by the work of economist Deirdre McCloskey, this takes a culture of entrepreneurship, innovation and creation. It means avoiding excessive fear about change, a dislike of the wealth-creators and the creation of barriers.

Policymakers must embrace permissionless innovation: allowing entrepreneurs to experiment with new business models and technologies and only intervening when there are clear, demonstrable harms to the public.

This is the opposite approach to the “precautionary principle”: the idea that we should prevent activities based on potential but unproven harm. We should avoid restrictions on the likes of GMO food or even new internet regulations that will only serve to facilitate censorship and make life harder for smaller companies.

The future is going to be awesome. To ensure the United Kingdom is at the centre, we should unleash our creators and innovators.

DRUGS

REDUCING HARM AND ENCOURAGING LIBERTY

DANIEL PRYOR

The UK has a drugs problem.

Scotland has the highest drug death rate in the EU. Thousands of teenagers are exploited by county-lines gangs, and young people have easy access to drugs from dealers who don't ask for ID.

The Home Office admits that the illicit market is fuelling serious violence across this country and the same is true abroad.

Millions of adults regularly use unregulated drugs for recreational purposes with no quality controls, no information on the health effects, and no guarantee that what they're taking is as advertised.

Despite the recent legalisation of medical cannabis, patient access remains woefully inadequate and promising medical research into psychedelic drugs is being hampered by disproportionate regulations to the detriment of our mental health.

It doesn't have to be like this.

Neoliberals argue that sensibly regulated drug markets, evidence-based harm reduction measures and cutting through nonsensical bureaucracy on controlled substances research will drastically improve the situation: especially for the most marginalised members of society.

We also emphasise that some drugs that are currently provided by the criminal market—such as cannabis and MDMA—are enjoyed by many adult users without major problems.

A substantial proportion of current drug use involves adults choosing to do something they enjoy at fairly low risk, and vital efforts to tackle the harms of problem drug use should not lose sight of the fact that individuals are generally best placed to pursue their idea of the good life.

Different drugs require different regulatory approaches, but evidence from trailblazing countries shows that the involvement of markets is essential.

Nowhere is this truer than legal cannabis markets. Real-world experience from the United States and Canada shows that recreational cannabis legalisation can make our streets safer, protect children, and take back control from criminals.

But while support for cannabis legalisation can be found across the political spectrum, neoliberalism can provide unique insights into making sure the goals of legalisation are fully delivered.

Private enterprise is more responsive to consumer wants than state-led approaches and more efficient at satisfying them.

In this way, legal cannabis can successfully outcompete black market vendors on price, quality, and accessibility.

The profit motive is also a key driver of innovation, and regulated drug markets of the future could provide adults with safer, more enjoyable methods of consumption: as is already the case with cannabis edibles and vaporizers.

Furthermore, neoliberal scepticism of overregulation can help inform the design of licensing schemes and criminal record expungement: ensuring communities disproportionately harmed by prohibition are able to share in the wealth created by regulated markets.

Problem drug use also has solutions rooted in neoliberalism.

In the absence of legal regulation, international evidence shows that integrated drug consumption rooms prevent drug-related deaths and introduce the most marginalised drug users to recovery options as well as health and social services.

Festival and city centre drug testing services have already been proven to reduce drug-related hospital admissions in the UK, but are held back by a lack of a national framework for their operation.

Many illicit drugs also hold medical potential for improving our physical and mental health.

Neoliberals advocate lifting counterproductive regulations and cutting through the bureaucracy which is stopping patients from accessing efficacious cannabis-based medicines and preventing researchers from conducting trials into promising candidates for mental health treatments.

A neoliberal approach to illicit drug research—eschewing the cultural baggage associated with certain substances and instead focusing on where the evidence leads—will reduce the burden of debilitating illnesses on individuals and society.

The neoliberal vision for UK drug policy includes:

The gradual introduction of regulated recreational markets for illicit drugs, beginning with cannabis. Different approaches should be used for different drugs, all of which incorporate neoliberal insights into the importance of displacing criminal markets via private enterprise.

Allowing harm reduction services such as drug consumption rooms and testing services to operate with legal certainty. This can be initially aided by clear guidance from the Home Office but should eventually end with establishing a framework for such services in primary legislation.

Expanding patient access to cannabis-based medicinal products immediately by recruiting prospective patients struggling with accessibility into ongoing clinical trials as part of a national research initiative.

Stimulating promising medical research into psychedelic medicines (e.g. LSD, psilocybin) and MDMA by moving them from Schedule 1 to Schedule 2 designation.

LIFESTYLE

EMBRACING CHOICE AND FREEDOM

DANIEL PRYOR

The nanny state is out of control.

For neoliberals, personal freedom and choice matters.

We believe in treating individuals as adults who are sovereign over their own bodies.

We believe you are best placed to judge for yourself whether to drink a milkshake or vape a flavoured e-cigarette.

It is wrong for the state to be a nanny, to dictate what you can do in the comfort of your own home or how you should parent your children.

The calls to ban “sugar, spice, and all things nice” show no signs of abating.

Everything, from milkshakes and cheap lager to e-cigarettes and hummus advertisements on the tube, is in the crosshairs.

So-called public health policy advocates refuse to allow individual choice, they think individuals are brittle and easily manipulated by advertising. Most recently, following tragedies related to black-market, unregulated products, there have been calls to ban flavoured e-cigarettes in the United States.

The lack of regard for the evidence — with officials failing to find a single chemical in regulated vapes linked to the illnesses, and no acceptance of the fact that banning e-cigarettes will simply lead to a black market and drive people back to smoking — is typical of the alarmist, unthinking approach.

Clearly, moves to ban everything don't just disregard individual autonomy but disregard the wealth of evidence that shows paternalistic policies do not work.

Advertising bans, for example, are built on the false idea that advertising can conjure up entirely new desires — when in fact all advertising does is encourage people who fancy a pizza to order one brand rather than another.

Meanwhile, sugar taxes have little effect on obesity. One study on the effects of the UK's sugar tax found that only 1% of consumers actually stopped drinking soft drinks after the introduction of the levy.

In Mexico, a sugar tax was introduced in 2014. The annual sales of soft drinks averaged 160 litres between 2007-13, rising to 162 litres in 2014 and only falling back towards the pre-tax average, to 161 litres post-tax.

Taxes like this may change habits, but usually not in the intended way — many of those hit by the sugar tax simply substitute more expensive soft drinks for cheaper, alternative sources of sugar.

Scots are buying and drinking more even after Scotland became the first country in the world to introduce minimum alcohol pricing (per unit).

Market researchers Nielsen found that 203.5 million litres of alcohol were purchased from shops in Scotland over the 46 weeks to March 29, an increase of 1.8 million litres since the introduction of minimum pricing.

As with sugar taxes, minimum alcohol pricing has hit the pockets of the poorest and failed to change the behaviour of the people it claims to target.

If you want to help people live healthier lifestyles, the answer is encouraging a culture of innovation in the public health space.

Lab-grown meat, given the support it needs, could be the future of our diets — providing a readily available, healthier alternative for both our bodies and the planet.

Allow the e-cigarette industry to develop and prosper will help develop healthier alternatives to cigarettes and drive up health standards as a result — while still respecting the choice of individuals to smoke cigarettes if they'd like to do so.

Rather than continuing down the knee-jerk, anti-evidence path that British public health policy is currently characterised by, let's go back to respecting personal autonomy and the dignity of individuals to make choices about their own lives.

Neoliberals appreciate encouraging people into living healthier lifestyles, but the way to do that is by allowing better alternatives to emerge in a free market — not by legislating against individual liberty.

WELFARE

HELPING THOSE IN NEED

MORGAN SCHONDELMEIER

Neoliberals recognise the need for an effective welfare system that helps the least fortunate and delivers opportunity for all no matter their background.

As one of the most prosperous nations on earth, the UK's citizens should not be left out in the cold when they encounter hard times.

Whether in old age, unemployment or disability, those that need welfare support should have access to a support system which provides benefits in a dignified manner.

Neoliberals also understand that the problem with safety nets — even those with the best intentions — is that people can get tied up in them. We must ensure that society's resources are not used to create a spiral of dependence.

Neoliberals have our own means to achieve these goals.

Welfare systems change incentives and behaviour, resulting in dependencies, distortions in supply and demand of services, and inefficient allocation of scarce resources.

Whether necessary due to immutable circumstances or short-term shocks, welfare should be responsive to the needs of individuals and the economy.

We will also need a much more adaptable welfare system as the population continues to age — the systems devised in post-war Britain are no longer suitable for a modern demographic breakdown. This means reassessing the state pension age and reassessing how to fund social and health care to avoid intergenerational conflict.

Welfare should seek to put as much power and choice in the hands of individuals as possible. Welfare payments should be simplified into a system of direct cash transfers or a Negative Income Tax.

These welfare measures aim to provide supplements to income or serve as an income for those unable to work and, in each case, the benefits taper off as the claimant begins to earn more in the active labour market.

The qualification is low income, with potential for amendments which take into account children and those with disabilities.

Both of these measures would need to replace benefits which are earmarked for specific purposes — like housing or food — thereby increasing the flexibility of recipients to allocate their benefits as is most fitting.

This is why neoliberals are supportive, in principle, of Universal Credit, which replaces 6 other benefits with a single monthly pay-

ment if you're out of work or on a low income. While the rollout of Universal Credit has been undermined by technical issues and delays, its aims should not be dismissed.

As the ASI's *Free Market Welfare: The case for a Negative Income Tax* by Michael Story summarised the advantages of a single payment system:

By having one single payment which is withdrawn at a gradual rate, the incentive structure is transparent and easily understood, moral hazards and perverse incentives are avoided, bureaucracy is limited to non-existent and most importantly the citizen is freer to choose how the money allocated from government funds for their welfare is actually spent.

Another important upside to combined cash transfers like Universal Credit over more complicated systems is that benefits no longer need to be linked to where a person lives.

Under the previous housing benefit system government assistance was linked to your council area. By unlinking this, individuals can more easily move to where there are more opportunities.

This is critical to the particularly vulnerable in society, including victims of domestic violence or drug users, who would often greatly benefit from moving away from their current locations but can't risk losing housing or educational support.

A neoliberal approach to welfare is one that puts more control back into the hands of those who need it, is responsive to economic pressures, can adapt with changing demographics, while still providing for the worst off in society.

Caring for the poor and vulnerable is not exclusively owned by the left. As neoliberals, we should be proud of our solutions as a sustainable and efficient way of providing for the citizens of the UK.

ENVIRONMENT AND CLIMATE CHANGE: A MEANINGFUL RESPONSE

MATT GILLOW

Neoliberals believe in protecting the environment and consider climate change a serious threat.

But we also believe in the ability of humankind to meet this challenge.

In 1798, Englishman Thomas Malthus claimed that population growth would soon trigger mass starvation.

Since then, the global population has multiplied seven times over, and yet fewer people are malnourished than ever before — and free-

markets are helping people out of poverty every day.

Innovation, progress, and affluence is a solution to environmental challenges, not a problem.

Nobel Prize winner Norman Borlaug, the best-known figure of the early movements which started the Green Revolution, argued that “only by getting richer and more knowledgeable can humankind create the science that will resolve our environmental dilemmas.”

Wilfred Beckerman, a former member of the Royal Commission on Environmental Pollution, espoused the environmental Kuznets Curve, which charts that economic development will initially lead to environmental degradation — to a point — at which superior technologies and demands for an improved environment will actually improve conditions.

It is green innovation — not Malthusian doom-mongering or socialist revolution — which will (as it always has) improve the condition of the human race and the planet.

We need to improve our track record on climate change, that much is certain. But this doesn't mean we have to neglect consumers and taxpayers.

In plenty of cases, we're seeing improvements made in areas like plastic and palm oil from socially aware multinationals.

We're seeing start-up companies providing environmentally-friendly options for the socially responsible consumer.

Even the small, country pub where I used to work has ditched plastic straws for bio-degradable and paper equivalents.

On a larger scale, for example, Tesco has begun to make the move to mushroom punnets over plastic options.

It is the free market which provides incentives for more effective, sustainable use of resources — such as making cars with less steel.

These are, of course, minor changes (and only examples) in the grand scheme of things, but they're part of a movement borne of individual responsibility and consumer capitalism which is tackling climate change head-on.

We do not have to sacrifice climate change action for a low-tax, high-enterprise economy. They're completely compatible.

Instead of revolution, embracing consumer-led climate activism, standing up to multi-national monopolies and crony capitalists who don't have the same incentives as smaller enterprises to ramp up popular, green innovation — and using international evidence to design an effective carbon tax.

A carbon tax would correct the market failure of negative externalities from emissions, incentivise innovative solutions to climate change, and reduce the damage done by atmosphere build-up of CO₂.

Neoliberals, archetypally consequentialist, look to the evidence that carbon taxes work.

British Columbia brought in a carbon tax scheme in 2008. Now set at \$40 CAD, the tax “applies to the purchase and use of fossil fuels and covers approximately 70% of provincial greenhouse gas emissions.”

A decade on, per capita emissions have decreased by 14%. People drive less and businesses have invested in renewable energies. As a

key point on which carbon taxes can stand or fall, the province actually returns more money to taxpayers in the form of income tax cuts aimed at low-income families (\$1.7bn) than is actually generated in revenue (\$1.2bn) from the tax — having a positive effect on the environment without driving up the cost of living for low-income families.

As neoliberals, we believe in global prosperity. We don't scoot around the evidence in the name of ideology.

Climate change is something to be worried about. Free-market solutions are the most effective way of improving universal living standards and making daily life easier for everyone.

Smartly-designed taxes, support for green innovation against multinational monopolies and effective international aid, we can have our cake and eat it.

TRANSPORT: GETTING THERE FASTER, CHEAPER AND BETTER

MATTHEW LESH

Neoliberals are excited about the future of transport.

You've just finished work and it's late. You have a crowded train and at least an hour before you'll walk through your front door.

But today you've decided to try out the new air taxi service, which gets you to a Vertiport near your home in just eight minutes. It's then another five minutes on an e-scooter and you're in your living room, with more time to spend with your family.

Half an hour later a drone arrives in the garden delivering dinner.

Next week you're off to Australia, but it'll only take a matter of hours thanks to the re-emergence of safe, cost-effective supersonic flight.

The question is how to make this future a reality. The neoliberal answer is to avoid unnecessary red tape and develop an innovation-

enabling environment for the future of transport.

Take driverless cars. They will revolutionise transport in the same way the original car saw the end of the horse-and-buggy. They will help obliterate congestion, reduce emissions, and save lives by making our roads safer. Britons are excited about driverless cars: 52% have a positive view and just 14% have a negative view of self-driving vehicles.

There's relentless fear about job losses, about safety issues and complex ethical questions. These issues must all be addressed — but are not impossible to overcome.

We must also put the challenges in perspective: there has been just a single fatality in a wholly self-driving car. Conversely, every year, according to United Nations estimates, 1.24 million annual fatalities occur in conventional cars.

Or take e-scooters: potentially the fastest growing technology in history.

Since the emergence of the first rental schemes in late 2017 there have been hundreds of millions of rides.

They have equivalent safety to bicycles, reduce car use and the associated congestion, and have proven wildly popular by users.

But e-scooters are unlawful in the UK thanks to an archaic series of laws including the *Highways Act 1835*.

In the same way, an archaic law prevents flights from going supersonic over the UK — despite substantial leaps in technology that reduces sound, cuts emissions and could make it affordable com-

pared to the ill-fated Concorde.

A key guiding policy principle in the future of transport is competition, which encourages innovation, keeps down costs, and ensures consumers are kept at the centre.

We want to see Open Access on trains — multiple train companies operating at different times on the same route competing with one another to drive down prices and improve the passenger experience.

In the aviation space, there are several key reforms to be made. We need more capacity; be it building an additional runway at Heathrow, Gatwick or even both. This can be done with terminal competition, and separate terminal builders and operators to keep costs down. Expansion should come with slot auctions for the allocation of additional landing and take-off capacity, ensuring each slot is put to its best use. We can auction low-altitude airspace for new forms of transport such as air taxis and autonomous freight drones — ensuring efficient use of the space.

When it comes to transport there's so much potential in front of us. Let's unleash the future.

Neoliberals are champions of freedom.

We believe that the role of government is to protect and facilitate your liberty to flourish – as long as you do not interfere with others doing the same.

Politics as we know it is realigning. Ideologies that were long thought to be dead are re-emerging. There is a growing dislike of our politicians and institutions.

With uncertainty comes opportunity, particularly for those willing to spell out a persuasive and positive vision.

This manifesto tackles today's policy challenges. Each chapter outlines the issues along with the neoliberal goals and solutions. These ideas will deliver a freer and more prosperous Britain.

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