

Johnson's policy prospectus is tainted by interventionism, statism, collectivism – and could be a lot worse.

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December 11, 2019

At first glance, prospects for economic liberalism in the UK appear gloomy, whatever tomorrow's result.

Corbyn's socialism speaks for itself. But the Conservatives' slide away from liberal economics continues. Boris Johnson's last Cabinet, on paper, arguably had the strongest "dry" economic credentials of any since the 19th century. Yet recent announcements for new protectionist state aid laws, "buy British" plans for public bodies, cancellation of corporation tax cuts, and the embrace of government spending as a proxy for public service quality, appear to provide evidence of an ongoing statist shift in the party's mindset.

Many economic liberals feel despair towards both the Conservatives and Labour as a result. *The Economist* election leader epitomised that reflex. Yes, it acknowledged, Corbyn's socialism was beyond the pale. But so was Johnson, who'd "accelerated the shift from an economically and socially liberal party into an economically interventionist and culturally conservative one." By erecting new trade barriers and ending free movement, Brexit is seen by many liberal commentators as anti-liberal by definition. A new more working-class Tory-voting coalition will inevitably change the Conservatives' electoral offer away from free markets too, so conventional wisdom goes.

Should economic classical liberals despair? We certainly should be worried by today's political currents. But if the polls are right, I think we should also be cautiously thankful for the stay of execution that Johnson's leadership and manifesto have given us, using that reprieve for some self-reflection of our own strategy.

Despite claims to the contrary, leaving the EU is not "anti-liberal by definition." Ask Remainers. One of their well-worn worries is that the UK outside the EU might become a Singapore-on-Thames – a low tax economy with light regulations and privatised healthcare. Brexit broadens the range of political possibilities, for good or ill, to include *Liberaltopia*. Whether a more economically liberal Britain arises depends on how we use those repatriated powers over decades. Brexit is for life, not just for Christmas.

Things could be much worse than Johnson in the near term too. Just six years ago, *The Economist* heralded him as a great social and economic liberal. He's been a long-time champion of immigration, anti-the nanny state, a trailblazer in the party for social liberties, and instinctively a low-tax Tory. Of course, he's always had a penchant for big infrastructure projects

and high minimum wages – he’s no libertarian. But it’s uncontroversial to believe he’s more liberal than his party, and more liberal than current public attitudes.

True, under his leadership, the party has pledged significant public spending increases. But these have been, by and large, highly targeted on frontline public services. To conflate the Conservative drift for higher spending on core government functions after years of restraint with a Labour party intent on delivering the biggest state in our history, confiscating company shares, and renationalising swathes of the economy, is false equivalence. Defeating Corbynism would be economic liberalism’s biggest defensive victory since 1979.

Recent Conservatives announcements on state aid and populist lines on migration are more disturbing. But given the broader climate of opinion, we free-marketeers might be grateful for small mercies. Johnson is not imbued with a desire to max out the “the good government can do” a la May. His liberal instincts (and those of many around him) are surely why the May tidal wave of new bans has receded and why the manifesto didn’t contain any misguided agenda to “reform capitalism.” Indeed, what we appear to be seeing from Johnson is not a government-loving “Borisism”, but a focus-group driven agenda – trying to win an election by addressing voter’s stated concerns. And doing so in a zeitgeist inhospitable to free market ideas.

Electoral politics doesn’t occur in a vacuum. Politics is the final act. We must therefore avoid concluding from timelines, instead judging Johnson against real counterfactuals. We are in a period where major reform of capitalism is a drumbeat through the pages of the *Financial Times*. Where Davos men suggest businesses move away from focus on profits. Where rapid decarbonisation, devoid of costs considerations, is taken seriously. Where business groups are unwilling or unable to defend the market economy, even with socialist barbarians at the gates.

Such an environment is the product of years of ceding bad arguments to capitalism’s critics, while failing to revise policies that centralise power and make people’s lives worse. Given prevailing conventional wisdom, the real surprise was that the manifesto was not more anti-market. When you see Donald Trump’s protectionist agenda, Corbyn’s manifesto, and the demands of new Tory think-tanks, Johnson is arguably offering the least possible change consistent with the feelings of the age.

Let’s put it another way: is there any other current Conservative MP who is more instinctively liberal than Boris who could have transformed the party’s electoral prospects over the past three months to be close to winning this election? Whatever tomorrow’s outcome, the answer is a bracing one for those who believe in economic freedom.

The hard truth we economic liberals must now face is that Britain is once again dominated by collectivist thinking. The Conservatives have been on a very, very slow drift away from market economics over a 25-year period. Thatcherism proved an interlude in terms of advancement of market-based policies. Subsequent years saw those gains defended, but in recent times a “drip, drip” of anti-market interventions and proposals has now become a flood of demands for new misguided interventions. Yes, Johnson has let some through. But there could have been many more with a different leader.

Whether or not a Conservative majority is secured tomorrow, the UK’s economic liberals need desperately to rethink strategy. First: time, energy, and resources need to be put into the institutions that seek to change the broader climate of opinion, rather than affect near-term

politics. A naive view that many instinctively held – that with just the right Conservative leader and personnel, economic liberalism would flourish – is clearly misguided. A free-market Conservative party will only re-appear when there is electoral demand for one. The past four years are an early warning sign.

Second, we should be relieved by Boris's priorities and his manifesto focusing on principles, which leaves opportunities for influence. Johnson has made clear his desire to raise productivity levels and economic growth. He wants to address living costs for poorer families. And he wants to raise investment – both public and private. Economically liberal policies have much to offer here. So after the election, the purer policy-oriented think-tanks should grasp the opportunity to devise sound economic policy ideas that fulfil such objectives, and work hard to show why other anti-market drifts are misguided.

Yuval Levin defines conservatism as “gratefulness.” We free-marketeers obviously dislike current anti-liberal machinations on all sides. But tomorrow we can hopefully be grateful for what we still have.

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