

Inaya Folarin Iman ([00:00:09](#)):

So thank you everybody. So this is another session on this exciting schedule. So this is "Progress on trial, reinvigorating faith and Growth Amid Modern Challenges". And the idea for this session was really looking at the existential and institutional barriers to belief in progress. So, what kinds of challenges to the idea of progress are we seeing today? For example, do we need different benchmarks for success, whether that's measuring happiness rather than GDP. But also other discussions about the institutions and within the civil service, are there particular barriers or vested interests that we need to examine to make sure that we can navigate better the different challenges to growth and progress in our society today? So we're looking at a whole range of things. We've got a very broad panel looking at the environment, looking at housing, looking at tax and regulation and other different issues that are being challenged under the question of progress and economic growth today.

([00:01:04](#)):

So I'm very excited to introduce a very distinguished panel. So we have Aria Babu, who has been coconvening this conference. She's a policy fellow at Policy Exchange and also Kodak. And she's also the former Head of Policy at the Entrepreneurs Network. And she's often associated with discussing things like childcare and pronatalism and transhumanist feminism as she describes it. And we also have Nicholas Boys Smith, who is the Founding Director of Create Streets a charity and an influential writer when it comes to design and the history of towns and cities. And he was also a co-chair alongside Sir, the late Roger Scruton on the influential Building Better, Building Beautiful Commission, which was described as seminal by the then Secretary of State for Housing. We also have Matt Ridley, which many of you will know, who has written many books on these subjects, which has sold over a million copies and translated into 31 languages. Some of those books include the "Rational Optimists", "How Innovation Works", and most recently, "The Search for the Origin of Covid-19" co-authored with Alina Chan, which was published in 2021. Sadly Dan Senior, who was meant to be joining us for this panel can no longer join us, but I'm very thankful that Sam Richards has stepped in last minute. And he is the CEO of Britain Remade, and also a former special advisor in Number 10, particularly focused on energy and the environment. So we're gonna first kick off this session with Nicholas Boys Smith, who also has a presentation.

Nicholas Boys Smith ([00:02:36](#)):

Thank you very much. Good staff work. You've changed, you've changed the images. Well done. This feels a very traditional conference because the, I think the key theme so far has been jokes about French. Starting with my Lord Sainsbury's, at least we're ahead of the French and ending up with a steal from the French. My wife is French. I'm not sure how I feel about this. So right ladies and gentlemen, this is London's first bypass. It was known as the New Road, and it ran for a bit over three miles from the junction of Harrow and Edgware Roads to Battle Bridge, which we now call King's Cross at what's now Pentonville Road. Before joining Angel in Islington from which the existing St. John Street could enter the city at Smithfield. It was primarily built not for humans actually, but for, for the twice weekly flood of animals approaching London from the west.

([00:03:22](#)):

150,000 turkeys, 74,000 cattle, 570,000 sheep made their way to Smithfield each year in the mid 18th century for their terminal rendezvous with the butcher's knife. It was called Droving. And this is infrastructure Georgian style. Drove the animals, was the single most important transport requirement in 18th century. No fridges, no trains, no lorries. If the cattle could not walk to London on their own hooves, London could not eat. I think to pick up a theme, this just occurred to me, the French call us le ros bif, don't they? So the roast beef literally walked to London. All the fields and the farms on the

routes made their money by allowing the cattle to pasture. And every Drover's Arms you've ever visited is on an old droving route.

[\(00:04:05\)](#):

So it was really the, a bypass of its day, the latest technology, a very important upgrade. Not the latest technology, but a very important upgrade of existing infrastructure. And here is the thing. It was first promoted to Parliament, Anton was touching on this, in February, February, 1756, the month matters. In May, 1756, an act was passed. In the same month, commissioners were appointed. And a surveyor, a Mr. Marsh, I've got his name, was paid five guineas to plan the road. It was built that summer. By the 13th of September carts were passing along one stretch of the road. And in phase two, by the 17th of September carts and critical animals, those driving animals were passing along its entire length. Seven months from parliamentary start to parliament, to physical finish, from lobbying to legislation, from droving to slaughter. Seven months. Now, you may be thinking, I'm sure some of you're thinking, oh, in fact, this was sort of touched on in the first session.

[\(00:04:55\)](#):

It's much easier then. Less to do. No democracy, no judicial reviews, none of these people getting in the way. Well, sort of. So it is true that construction was simpler. It was mainly removing hedges and banks levelling the surface, digging ditches. The road wasn't paved so that it could be used by the drover. So there was less to do than in a modern bypass, but in many ways it was much, much harder. It needed primary legislation, which you wouldn't need now to build an individual road. There were no power tools. There were no cranes, there was no diesel, no electricity, no heavy lifters. Just the brute force of hardworking navies, hard drinking, hardworking above all, there were very clearly established local property rights. The route was changed because some local landowners objected to it. And the establishing act required the compensation to be paid.

[\(00:05:38\)](#):

And also only allowed houses to be set back 40 feet from the road. You can see it here after it was built out. So our first height, our first bypass. Now, let's jump forward. I'm not gonna stay in the 18th century you'll be pleased to know. Let's jump forward 263 years. This is one of Britain's most recent bypasses, the four Mile, a little bit longer, Newtown Bypass in Central Wales. I'm sure you will know it well. It was opened in February, 2019. How long do you think it has been in planning, ladies and gentlemen?

[\(00:06:05\)](#):

[Six months.] Six months. Any others, any bets, gentleman at the back? I've got one minute. No, I'm gonna be more than a minute. [10. 10 years.] 10 years. 10 years. Any other than 10 years? [17.] 17 years. [30 years.] 30 years.

[\(00:06:16\)](#):

Nope. [40], 70. 70 years. It was, hang on. Okay, so this is a letter in the, in, oh, I dunno what it was in actually. Asking to recruit young 16 year old boys to start counting the car so they could work out where and how to build the bypass. So there was an attempt in the 1940s. Actually, we're quite good at building these 1940s. There was an attempt in the 1960s and the 1980s, it was finally confirmed in 2008. Do you know what happened next? The plans were shelved in 2011. They then finally got going again. And construction started in early 2016 and it was completed in 2019. And it's not just infrastructure, it's also fact, it's even more, it's housing. Here's a table from the brilliant 2018 Oliver Letwin Report into house building build out rates.

[\(00:07:00\)](#):

So I won't go through everyone, but this is basically how long it takes to build out big sites for a range of sites. Eight the best. 43 years is the worst. And before that can even start on average, it takes somewhere between seven and 10 years in getting land allocated, pre-planning, outline planning, environmental impact assessments, heritage assessments et cetera, et cetera, et cetera. And, you know, I'm grateful for that. 'cause the social enterprise, I run, Create Streets, gets good money for doing some of those things. Indeed, I'm feeding my children with that. So, you know, it's great. It's a boondoggle for consultants. We, why do we do this to ourselves? And I just this is, sorry, I should have said this. This is, so this is this is, you know the creation of homes in the 19th century.

(00:07:43):

We doubled the housing stock from three, just under four to 99 million homes. House prices fell for 70 years in the run up to World War I. So we, we talk about the great success of house building after World War II, and we did build houses after World War II for a bit. The real success actually, the complete explosion in affordability of housing happened in the 19th century. And this isn't, by the way a lack of regulation. So this was done, this is actually 18th century legislation regulation. It was more in the 19th century. There were very clear rules about what you could and couldn't build, which is why those houses on the right there seem so familiar. 'cause those are visual representations of the 1667, 1707 and 1774 Housing Act. So we've always regulated what we build. So what's going on?

(00:08:23):

What's the smoking gun? It's a little bit too simple to say. I've got zero minutes. Okay. You're gonna have to have zero. You're gonna have, actually, I think there are only two smoking guns. I wanna bring in the French again, so I don't have a nice slide though with two smoking guns. So I'd say two things. First of all, we need to relearn how to create places, housing and infrastructure that people love. And secondly, we need, I'm changing the wording on this. We need to stop being so worried about French in terms of our approach to planning. Actually, there's a serious point there. So first quick thing, this is Regent Street as built, John Nash. Lovely. Beautiful. Slightly under the portico under the arcade was one of the top spaces for high class London courtesans, which is a posh word for something else.

(00:09:05):

It was all pulled down just over a hundred years later. And this was put up designed by Reginald Broomfield, Aston Webb, Ernest Newton. It went from four stories to six to seven. There were a few complaints about knocking it down, but very few. No one really minded. A hundred years ago. This is the first Euston station. It was built, I've got a date here. It was built in 1837. And then almost immediately afterwards, they built Euston Arch, which you can see on the right there. It was actually Doric propylaeum. Louisa Twining, who visited it a few days later, said nothing could be more beautiful. And a few years later, they then opened the second Euston station, replacing the first one, which you can see behind you there. Which for my money was one of the best built rooms in London.

(00:09:45):

So they built two stations, one and then the second in less time than, I don't have pictures of what they're now doing, in less time that is taken to be arguing about what we now do with Euston Station. When some of you will know, when Euston Arch was pulled down in the 1960s, there was a huge fight about it. And it led to massive public resistance. These are the plans to knock down all of Whitehall. They were gonna put up a series of ziggurats and take out all of the Foreign Office Westminster, most of 10 Downing Street. Only the Banqueting Hall was going to survive. So, Leslie Martin's plans. And the point is that this led to essentially near riots. That the Conservative GLC collapsed was replaced by labour. A man who was there Sam Jenkins who's still with us.

(00:10:25):

He said that officials were were lucky to get out alive. There were plans at the same time for Motorway Box in Central London. There are a few buildings. The idea was that people would move around at first floor level and a few buildings New Zealand house the Economist building in St. James Street still, still have the remnants of that. This is Fitzroy Square as it is today. Thank heavens. This is what it was going to be. As in the Traffic in Towns Colin Buchanan report. So there's a serious point here. The serious point is that we started as a society losing confidence that new development would make places better. And we started resisting it consistently. Now we can go into in more detail, I'm definitely out of time as to as to why that was.

[\(00:11:06\)](#):

Second point. So second point quickly, I'm being waved at. So I do need to stop. Second point very quickly. So we didn't use to be afraid of aspiring to create beautiful places. It is literally what we did. It's in the preamble to 1930s planning regulation. Octavia Hill, one of the great social reformers in the 19th century, set out to create beautiful social housing. It was the word she used. And then just a word on French. We had lots of regulation. Literally. I mean, there's always been regulation about what we built. This courtyard housing, 19th century, early 19th century court housing, basically built in the gardens of 18th century houses was banned during the course of the 19th century series of acts. Public health acts essentially created coronation street style housing, which you had to build. So we set very clearly what you could build, but as long as you follow the regulation, off you go.

[\(00:11:54\)](#):

We didn't regulate the processes we now do. We regulated the end result. And we've been running over the last 70 years a controlled experiment in the way we approach planning. All countries regulate the built environment. We don't have a problem with warranty homes. We don't have a problem with a lower proportion socially rented. We, this is actually old data on credit rates. All this that's not about credit rates. What we have is fewer homes per household. And the reason for that, and this is about regulatory clarity, is that we need to get win. It's an interesting phrase we use. We need to win planning permission. In most countries you just need to get your building permission by following the local regulations. A friend of mine who also married a French girl, I think about it, works running a large part of the housing association near Paris.

[\(00:12:35\)](#):

His team can do a feasibility report on a site in a couple of hours. I can pay very good money to do that. And we can get a couple of months work out of that and many, many thousands of pounds. So it isn't that you don't regulate the built environment. I'm now being waved at, they really want me to stop. It's that you, prevent barriers to entry by making clear what you can or can't build. And this is a hang, I'll just jump over this. So this is from an online service in Sweden. These are houses you can just literally order out to post. 'cause in much as Sweden, you can just build. We therefore have far lower proportions of self-build, custom build, SMEs and markets reliant just on the big guys. So there we go. Let's not work with, and we worry about the French 'cause we think if we have too much planning, we're being regulatory. But actually we just need to have clearer planning. And that is how we fall back in love with the future. Thank you very much.

Inaya Folarin Iman [\(00:13:30\)](#):

Thank you for your opening remarks, Nicholas. Lots of things to chew on in the chair discussion. So over to you Aria.

Aria Babu [\(00:13:37\)](#):

Okay, so I'm going to talk about childcare. Not because I think it's the most important barrier to progress. I think Nicholas might be right that it's probably something more about infrastructure building. But I think it's plausibly top 10, maybe even top five. And I think it's very illustrative of how we get things wrong. So the UK has the most expensive childcare in the OECD, probably the world, unless Monaco is beating us. We don't have the highest wages. We don't have the highest birth rate. We don't have the lowest levels of subsidy. In fact, we used to have the highest level of subsidy as well. And we still had very high childcare costs. Currently the average full-time childcare slot costs the same as 50% of the average mothers, like median mothers earnings. That is not a very well evenly distributed number either.

[\(00:14:25\)](#):

So because we subsidise some people and it's quite inconsistent. And if you happen to be married to someone who earns about £90,000 you get all of your subsidy tapered away and stuff. But I do anecdotally, you know, people who are thinking right now, if they have children, they have to make a big bet on how much they think that they as a woman are going to earn over the long term. And whether or not it's worth just earning to pay for, just working to pay for childcare, or if it's worth just staying at home because they end up about as wealthy no matter what they do. This is obviously a real problem, as touched upon by one of the commenters in the session below. So why is our childcare so expensive? Basically I think this is caused by a supply issue.

[\(00:15:05\)](#):

Since the 1990s, the number of registered child minders has gone down by 80%. We have had a decreased birth rate, but our birth rate has not decreased by that much since the 1990s. 16% of nurseries are now turning away parents because they're full. And so why do we get this position? Why does no one want to be a childminder anymore? So I think the first answer that people in politics usually go for is that we've got very strict ratios. We've got stricter ratios than basically anywhere else in the world that I could find. They're stricter than France. They're stricter than Norway, they're even stricter than Scotland. So it's one to three one adult to three babies. Yeah, three children, the babies. And then it goes slightly higher for two and it goes slightly higher for three plus.

[\(00:15:51\)](#):

But it's still the case that if you have a child in school and you drop them off at a nursery after school, the ratio is stricter at the nursery than it is in the school where you have a teacher and a teaching assistant. But I don't - I think this is only part of the answer because, well, because we have another big problem as well. Which is that we have an incredibly restrictive curriculum. The goal is that you have to teach children quite a lot before the age of four. You don't, obviously if you have to keep your kid at home, you don't have to teach them motor skills or personal regulation or to make sure they have British values or understand healthy food. But if you have a child in nursery or child minding services, then you do.

[\(00:16:31\)](#):

Most of us, I suspect when we were kids, were dropped off with people who were known to our families and just gave you normal childcare. They were probably nice people. I personally was dropped off with the next door neighbour who was retired and had some free time on her hands. And what this actually means is there's a lot of paperwork. There are a lot of box ticking exercises that end up taking place. The story I heard very recently is that if you're a child minder, you have to register a food diary with the food standards agency and record every kind of food incident that comes up, like an out of date packet of ham in the fridge or something like that. The other problem is everything in the UK is planning. So currently Offstead tells you that if you run a childminding service, you should probably do this in a

homelike environment, so either you home or the child's home. And local government says that you probably shouldn't run a business from your own home. So what this means is for renters, most renters just cannot become child minders. The landlord says they can't do it because the landlord says you cannot run a business from this property. The vast majority of people who would've usually become child minders, like young women who probably cannot afford to own their own homes. But even if you own your own home, there are still restrictions. So there was a, there was a news, story from a young woman in Yorkshire called Holly Fitzsimons, who was running a child minding service from her mother's house. And she had six children, well, up to six children who would come over throughout the day. But one of the neighbours was annoyed that they kept, that there were children playing in the garden, and also they kept using the side gate that was disrupting their house.

[\(00:18:04\)](#):

So they complained to the local council and that they - ah, I'm, now being waved at. [They're aggressive, aren't they?] Yeah. We did say five minutes. Yeah, so the local council said, actually, no, you can't run this business. And they tried to shut her child minding business down. She appealed to the Planning Inspectorate. This took months and months, and eventually the Planning Inspectorate said yes that she could do it. But they had to completely remodel the driveway, which cost thousands and thousands of pounds, and she had to close at 6:00 PM, which in the news, this is presented as a victory, but it's, I think it's illustrative of how this gets so difficult. So hopefully, if we have all of these restrictions, surely we have some of the best educated three year olds in the world.

[\(00:18:44\)](#):

And the answer is no. Children who go through the early years foundation stage underperformed children who are just at home in informal care. And this informal care might be an illegal nursery that isn't Ofsted registered. It might be the grandparent. It might, it could, it could be lots of different things. About half of children are in informal care. My immediate question is, maybe this is selection effects. Maybe children who are left at home have some kind of advantage. But considering that I suspect that the children and child minding are probably disproportionately the children of mothers who work, I don't think the selection effects can explain it. I think it really is that the earliest curriculum is just not as good as being at home with an adult who likes you if you're a baby.

[\(00:19:26\)](#):

And the reason I think it's so difficult politically to defeat is that the idea that the earliest foundation stage curriculum and the early years is very, is very good. It's such a powerful meme throughout our elite. I think partly it's because there are a couple of papers from the US that I don't think are very good quality. I think they're basically P hacked, where you look at a couple of different education interventions and then you see, oh, well this paper says that it's not very good for white children, but it's good for black children. This one says, oh, it's good for boys. And this one says it's good for low-income mothers. And this one says it's good if you are, you know, if your father's not around or something like that. So they all show different positive results, but people use this to amass in evidence, a body of evidence saying that the earliest curriculum really works.

[\(00:20:10\)](#):

And then I think it really fits into lots of the sort of mainstream elite opinion, which is that meritocracy is kind of good and inequality is probably bad, and genetic determinism is probably not true. And therefore you have to come up with an excuse for why children sometimes underperform based on their parents' lives. Early years is a really nice story for how we can conquer this. So I think that's part of the reason it's so difficult. And then every time a politicians suggest that they might do something to deregulate childcare, people get very upset because people hate the idea that we're endangering

children. And it's very difficult to say and make the trade off that actually we can cut the food standards the food, the food diary, and maybe a child will occasionally eat out date food and get a bit more ill. And that is probably okay because the trade-off is that parents are impoverishing themselves by either quitting work or eating out most of their income. And that is much worse for the child than the current scenario. But as far as I can tell, it's impossible to make this argument in public discourse. So there we go.

Inaya Folarin Iman ([00:21:17](#)):

Over to you Matt.

Matt Ridley ([00:21:18](#)):

Thank you very much, by the way, to the guys at the back. I was told five to seven minutes, so okay.

Nicholas Boys Smith ([00:21:24](#)):

No, no. They won't. They're not gonna buy that.

Matt Ridley ([00:21:26](#)):

And by the way, can I have the clicker? Because I think I've got one slide. Thanks Nick. Okay. Tha wasn't part of my five to seven minutes. So these are the 10 lessons I would try and teach a prime minister who asked me how do we escape stagnation through innovation? They're not going to ask me, but in case they did... First of all, the pessimists are usually wrong. When I was young in the 1970s, the adults said the future was bleak. Just as they say today, the population explosion was unstoppable, famine was inevitable, pollution was going to shorten the average lifespan. I don't remember any adult saying anything optimistic at all in the 1970s. Full stop. The outlook for man is painful, desperate in the hope that can be held out for his future seemed to be very slim indeed.

([00:22:11](#)):

That was Robert Heilbroner's bestseller in 1970. Yet over the next half century average human lifespan improved globally at the rate of five hours per day. Extreme poverty went from over 50% of the world living on less than \$2 a day in inflation corrected dollars to less than 8% today. Child mortality, the greatest measure of misery anybody can think of fell by three quarters in that half century. So I am an optimist about the world, particularly. I'm less optimistic at the moment about Britain. And here's why. Because, number two, civilizations are really good at stifling innovation. They did it in Rome, they did it in the Arab Empire, they did it in the Ming Empire. They did it in the Ottoman Empire, the Soviet Union. And they generally do it with some combination of bureaucracy and superstition. And we're doing that now: from GMOs to AI, to nuclear, to drones.

([00:23:10](#)):

We're letting pessimism fuelled bureaucracy, superstition and delay. We heard about that from Nick hold back and maybe even kill off innovation. Now, I'm not against all regulation far from it. In fact, there's one technology at the moment that I don't think we're regulating nearly hard enough. And that's putting fury in cleavage sites into bat Coronaviruses in Wuhan. You know, at the moment I think we're panicking at mice and cuddling tigers. But we're panicking at far too many mice. Lesson number three, we're a top down country, but it's a bottom up world. Most civil servants think in top-down ways as if the world was a chess game. Deirdre made this point earlier and that they're moving the pieces, but it's not like that from the English language to the internet. The world is full of things that, in the words of Adam Ferguson are the result of human action, but not the execution of human design. As Anton and

Deidre both made the point this morning, politicians don't create prosperity. They create the circumstances under which ideas can have sex and produce baby ideas.

[\(00:24:17\)](#):

Lesson number four, beware crony capitalism. Remember the projector that Gulliver met at the Grand Academy of Lagado? Quotes, he had been eight years upon a project for extracting sunbeams out of cucumbers, which were to be put in vials, hermetically, sealed and let out to warm the air in roaring Clement summers. He told me he did not doubt in eight years more that he should be able to supply the governor's gardens with sunshine at a reasonable rate. But he complained that his stock was low. If you subsidise an industry to make sun beams out of cucumbers, sorry, hydrogen outta wind power they will only tell you it cannot be done affordably. After spending a billion of your pounds. The UK government championed airships not aeroplanes in the 1920s. And then it picked the wrong design of airship, the R101. And the trouble with picking winners as Dita Helmer said is that losers are good at picking governments.

[\(00:25:13\)](#):

Remember the cautionary tale of the compact fluorescent light bulb? A useless technology foisted on consumers at great expense by banning the competition, which greatly benefited the manufacturers and served only to delay the inevitable and voluntary introduction of a much more efficient and energy saving technology, the LED. Every businessman I talk to these days seems to speak as if his main customer is the government, not the public. Lesson number five, our political leaders don't get that innovation is not the same as invention. We touched on this point last night, or Tyler did, particularly. Inventing something is easy. Making it affordable, reliable, and available is much harder. Well, it's not easy, but it's easier to invent something than to make it affordable. Great innovators from Edison to Bezos are not inventors. The linear model of science leading to tech, leading to innovation is wrong.

[\(00:26:09\)](#):

It goes both ways. Steam engines and vaccines were invented long before the science that explained them. Britain's always been invent, better at the invention than the innovation. Lesson number six, am I keeping up with myself? Yes, intellectual property doesn't, does more harm than good. This is a controversial view. Abundant evidence exists that we have gone way too far in protecting IP through patents and copyrights. You get bursts of innovation when patents expire. There are all sorts of other evidence that these don't really incentivize innovation. The software industry does not rely on patents to incentivize people to innovate. And why the heck should the copyright on a book last for 70 years after the death of the author? I mean, my, what are my grandchild children to done to deserve any royalties from my books? They should get a job instead.

[\(00:27:01\)](#):

Why did we pass that legislation to please the Disney Corporation, who was worried about losing the patent on the copyright on Mickey Mouse? Lesson number seven, innovation is not predictable. If it were, it would've happened already. The mobile phone, the search engine, social media, they all took the expert prognosticators by surprise. There's no chance the iPhone is going to get significant market share. No chance, said Steve Ballmer, the chief executive of Microsoft in 2007. Lesson number eight, abundant, affordable, and reliable. Energy is a key driver of economic growth. Growth is a thermodynamic phenomenon. Innovation consists of making useful products out of chaos by putting energy into the system. The reason George Stevenson invented the railways was because cheap coal was lying about in big heaps in the Northeast, and it was cheaper than hay for horses. Anton's right about London being the centre of the industrial Revolution.

[\(00:28:01\)](#):

But where did London get its energy from? Newcastle, where I come from. It's very doubtful that a civilization based on expensive wind and solar power with its very marginal energy return on energy invested, can be an innovative society. That's a controversial view, but it's one I will insist on. We need to go nuclear if we are going to be serious about the future. Lesson number nine, it isn't true that innovation is speeding up. We touched on this last night, Tyler did. Where are the flying cars, personal jet packs, supersonic airliners and routine space travel we were promised in the 1950s? Well, what happened was the first half of the 20th century was dominated by transport innovation. But hardly any innovation in communication and computing. Second half of the 20th century was the opposite. Hardly any innovation in transport. Okay, more cup holders in cars, but not much else than that.

[\(00:28:53\)](#):

But huge changes in computers and communications. And that implies the next 50 years is not going to be about the same technologies necessarily. I'm rather with Tyler, that biotech is probably where the action is for the next 50 years. But you shouldn't believe me. Why? Because there are no experts on the future. Full stop. Anyone who tells you using mathematical models that they can predict the future performance of the economy, an epidemic or the climate, beyond a very short time horizon or without huge margins of error, is selling snake oil. The predictions that are useful are unreliable, and the ones that are unreliable are useless. Here's a quote by 2005, also, it will become clear that the Internet's impact on the economy will have been no greater than the fax machines. Nobel Prize winning economist Paul Krugman in 1998. Hands up, those of you who used a fax machine in the last year. Anyway, that's the end. Thank you.

Inaya Folarin Iman [\(00:30:04\)](#):

Over to you Sam.

Sam Richards [\(00:30:13\)](#):

Thanks very much. So when I read the blurb for the session this morning, there were a couple of points that stood out. One was the use of the term blob and the other was the last line, the question that said, why haven't these ideas a reform happened already? And I'm going to try to answer that question in now four and a half minutes. So it is worth saying out the outset that of course there are many brilliant people, civil servants and on the political side who are working hard in government to deliver growth. In fact, I think most of them are in this room. But despite the best efforts of these absolute heroes, it is probably fair to say that we are not always an extraordinarily well governed country. Some may say that my opinion of government dysfunction may be coloured by having worked in Boris Johnson's Number 10. Who can say but clearly our problems don't lie just with one prime minister.

[\(00:31:11\)](#):

And I don't think that we have, for example, failed to deliver planning reform because we have a uniquely useless political class. Although sometimes it does feel like it. And I also don't think that we have a civil service that are uniquely obstructive and uniquely determined to block progress. One thing that strikes me is sometimes we've talk to people about, and people talk about how hard it is to get anything done in Britain, how impossible it is to build anything, how blindingly obvious reforms seem to get nowhere. There's almost this tone of the supernatural to it .Almost as if however hard we try, there is just this force stopping progress. And if we, we need to somehow sort of retrieve the shin bone of Adam Smith and bury it under Parliament Square for 30 years and lift the curse, there's no curse. Thankfully, there's no curse.

[\(00:32:05\)](#):

The core issue and why reforms fail is that simply a lot of the time, the incentives for officials and crucially the political incentives for the politicians who direct our officials don't align with unlocking growth in the long term. But I do think we can change those incentives. So first three thoughts on the civil service. As I say, it is absolutely not the case that all civil servants are determined to block progress. However, point one, there is usually a greater risk for a civil servant's career in strapping themselves to a radical reform that goes wrong than in stopping a radical reform from being undertaken in the first place. So the initial impulse when a minister comes up with a plan for great reform will be to throw as much sand on it as possible in the hope that their reforming zeal is extinguished. And of course, this impulse is particularly strong if the official deep down doesn't believe that their political master has the skillset, the resolve, or the political support to stick with the challenging reform for the long haul.

[\(00:33:14\)](#):

Secondly, it is also the case, and this is particularly true of areas like planning, that there are of course officials, and this is potentially particularly true at a local government level, who have built their entire careers developing sector specific knowledge and have a vested interest in maintaining the status quo rather than in ripping it up. And finally, there is an element of human inertia. It is of course, much harder to produce the policy papers and draft the legislation and square off the sectoral interests than it is to not do any of that. So, as I say, there is also have this, this clear feedback loop between the effectiveness of officials and also the effectiveness of the politicians and their perceived power. Even with the various challenges that I've set out with the civil service, a determined minister with clear priorities that they stick to and support from the centre and sufficient parliamentary support can deliver the radical reform that will deliver progress.

[\(00:34:14\)](#):

Unfortunately, not enough ministers understand all the levers at their disposal have a sufficient resolve to continue with reforms. And this is in no small part by the work of organisations like Civic Future so important, getting truly brilliant people into public life. But as I say, it's not just an issue of core competence ministers, but of incentives. Many more MPs agree with the need to reform planning than would be willing to vote for it. And this is often a rational position for them. Nimbyism is the strongest political force in Britain today. So either we need to hack it, as Sam was saying yesterday, through policies like street boats or, and this is harder work, and it's part of what we are trying to do with my campaign Britain Remade, is you need to win over hearts and minds for growth-based policies. The real barrier to growth policy, the barrier, why these reforms haven't happened already is not, in my view, an elite interest, it's a lack of public support.

[\(00:35:20\)](#):

So while it's hard work, we need to make the arguments in the country and not in abstract terms about growth and GDP, but about people's lives. About covering the cost of energy, about their weekly shop, about their mortgage. Reminding them we talked, Andy talked about narratives earlier, reminding them that in this country we built the world's first railway, the world's first coal fired power station. The world's first commercial nuclear power plant, and we can build the future again. This was the richest country in the world. I don't know if we can do that again, but we can be a hell of a lot richer than we are now because it's amazing to be in this room stuffed with brilliant minds. But I think the path to growth lies with persuading the people outside this room. Thanks.

Inaya Folarin Iman [\(00:36:16\)](#):

Thank you speakers for your opening remarks. I'm going ask each of you a question, then I'm going open it up to the floor. So Nicholas, I'll start with you. I mean, you made all of these arguments about what

was different in the past and how all of these obstacles are now put in place, which make it much slower and much more difficult. Why haven't these things happened as what, Sam was saying, what are the actual barriers that have prevented these things from being realised?

Nicholas Boys Smith ([00:36:41](#)):

So, I mean, ultimately it's politics not process. I think I probably should have said this in the talk actually. Those nasty people at the back. It's distracting me. I don't mean that guys. In a YouGov poll done about three years ago, 2% of the British public, 2%, that's not a typo, trusted developers to make their bit of the world better with a big development. And I think from memory it was six, maybe 7% of the public trusted planning system. And this comes back to your point about the political power of nimby. So politicians can't fix that. If the British assumption that a major new intervention in my bit of the country will make my life worse. So until that flips, I think, I mean, it may flip as you know, the young generation are just being, you know, frozen out of the housing market.

([00:37:29](#)):

So it's possible the politics will change just through the sheer pent up frustration of the young generation. I have to say, I don't think so. And it's not quite of itself. Or perhaps not, not as much as it should simply because there are lots of people, you know, I've met them, I've worked with some of them and who community groups we work with who are definitely been frozen out of the housing market, but are still very opposed to lots of things happening. So you can, the people seem to be able to hold that discount. So fundamentally, sorry to answer your question. Fundamentally the quality of what we produce, people's sense of ownership of the process that leads to it. I don't, we can't go back to no planning or, no public involvement has to flip. And that is a generational change that is not gonna happen overnight.

([00:38:08](#)):

But we, the British public need to relearn not just to have confidence that new development will make them richer. That is part of it. But also they will make their lives better. They need to have confidence that it will be better. Because if you don't trust the developers, if you don't trust the planning system, all the promises, all the CGIs, all the thousands of pages of report that are needlessly produced, you don't bleep. And until we get that belief back, which is I think is a generational thing, it's very hard to change the politics. They're slightly depressing. I, so I'm hopeful that can be done. And by the way, I've dedicated my life to doing that. And if you'd like to help, do please support Create Streets. Sorry.

Inaya Folarin Iman ([00:38:43](#)):

And Aria I mean, you were kind of talking about childcare in early years and that kind of made me think about this whole idea of safetyism, and there's nothing that people want to protect more than, you know, children. And that can be a kind of an example that is easy to think about within that culture. I mean, do you think that something to do with safetyism, and a broader culture of risk aversion might have something to do with the, the barrier to progress?

Aria Babu ([00:39:07](#)):

So I don't know if I think it's necessarily risk aversion. Because I think there are some places where we seem to be quite happy to have risks. I guess I think maybe there's a difference between immediate concerns and concerns that are maybe a couple of other degrees removed. What are the ways in which we weren't risk averse is we had a pandemic plan that we literally never thought about. If we were a very risk averse country, that would've been one of the top things that we were super serious about. But

yes, you are right that lots of the near term things, it seems to be oh, you know, we're making windows ugly so people don't fall out of them. Even though, as far as I can tell, I I can't think of anyone who's ever fallen out of a window.

Nicholas Boys Smith ([00:39:47](#)):

You wouldn't know them.

Aria Babu ([00:39:48](#)):

No. I'm thinking news stories and stuff.

Matt Ridley ([00:39:50](#)):

Quite lot of Russians. They go off the roof, don't they? The Russians.

Aria Babu ([00:39:55](#)):

Yeah. So I think we're quite risk averse in near term stuff, but not in terms of thinking about things that are a couple of stages removed. So I think I can see why it's described as safety in, but I don't think that's quite right.

Nicholas Boys Smith ([00:40:07](#)):

Can I add a quick point on the, I don't want to go on too much, but just so on the windows one, it's really interesting. So as some of you may know there was a, basically it sort of slipped through. New building regs that came out last year, basically banned sash windows, windows that are less than a metre from the ground, sorry, more than a metre from the ground. And will make, a very material impact on what new houses looked like. This wasn't politically willed actually. As I understand it, there was one official working in the building regs department deep down in DLUHC, who no doubt genuinely thought this was the right thing to do, really committed to it. And it just sort of happened. And there are the thousands of these that happen that make our lives a little bit worse and make people more likely to, you know, have less good new homes and opposed to new housing. So it's finding ways to systematically take out all these little regulations that crack up and have an enormous collective impact. Sorry to talk to much.

Aria Babu ([00:40:52](#)):

Actually, I want to just, I think that is closer to a description of the problem rather than safetyism, which is that I think it's very easy to add an extra thing. I think it'd be really easy to run a campaign that said we have to include equality and diversity [window design], training. Yes. Window design or training in early years or something like that. Something for which there's no evidence that it works. And once it was there, I think it would be very difficult to argue, to get rid of it. I think it's very easy to do this death by a thousand cuts. Well, it's just one thing, it's small. Don't you think that this, don't you think diversity matters? Don't you think food hygiene matters, et cetera, et cetera, until there are just too many things everyone agrees basically that we should do some kind of red tape challenge and then no one agrees about any individual regulation that we should get rid of.

Inaya Folarin Iman ([00:41:32](#)):

And Matt, I mean, what role do you think regulation plays in all of this?

Matt Ridley ([00:41:37](#)):

Well, I think what, what happens is that you build vested interests in the regulations themselves. So for example the idea that you must put up a plastic barrier to stop newts getting run over by bulldozers on building sites somehow crept in. And why, and everyone knows that it's much more sensible to say, okay, you can develop houses here, but can you build a pond for newts next door? And you'll do far more good. You know, you might run over a few newts, but the newt population will do better, right? Tim Leunigl think who's in the audience was, trying to push that policy when he was in government. But the problem is you've built an industry of newt consultants who are actually making quite a lot of money out of putting up these plastic fences around every building site.

(00:42:27):

And so there's enormous vested interest in these very barriers that Nick is talking about. And somehow we've got to balance that by creating vested interests in development. And at the moment, if you are trying to develop a piece of farmland into residential property you spend a fortune on getting planning permission. Not just on applying, but on lobbying and consulting and getting surveys done and all that. Imagine if you spent that money on helping the local community. They would suddenly have a vested interest in your development. So it's, I think you've got to think of it in terms of competing vested interests and how you put them up against each other.

Nicholas Boys Smith (00:43:06):

And all that money that you spend before you've got planning permission is incredibly high risk, high cost of capital money. Because if you don't get planning permission, you've just burnt that money. So it's a huge barrier to entry. One of the reasons we're so dependent on a small number of house builders, who I don't criticise building houses quite the opposite. Is because it's only the big guys who can afford to make very deep equity funding, these big multimillion pound bets, to possibly build some houses 10 years in the future, which may take you another six years to build out.

Inaya Folarin Iman (00:43:32):

And Sam, you mentioned that we have to convince the public. So I mean, is that then a failure of leadership then? Because presumably the people in positions of power that's part of their job making the arguments and winning over the public in order to have the mandate and authority to drive through particular changes?

Sam Richards (00:43:51):

The short answer, yes. But as I say, politicians are rational human beings who've responded to incentives over many years. And partly though are incentives that were created by the Town and Country Planning Act. But yes, I think shortly we have had a failure of political leadership and our politicians do need to make the case more boldly for the supply side reforms that we're going to need to get the economy going.

Matt Ridley (00:44:18):

Can I just ask Sam something? In the 19th century Cobden and Bright built a coalition inch by inch in favour of free trade. Persuading ordinary working class people that they weren't on the side of barriers against the French. That essentially cheap French. I just thought I'd get got that in for you. [Thank you.] That cheap imports were in their interest. It took decades to do, but as you say, it changed the bottom half of society, not the top half. You know, that was a political movement that came from below. Not

above, it was populist, if you like. That shows it's possible or was possible then. Why can't we do that today?

Sam Richards ([00:45:07](#)):

I think that's what exactly what we have to do. And I think the way to do it, as I set out in the remarks, there's a range of things. You have to frame it squarely in people's lives rather than in abstract terms. Frame it, you know, on the problems that they're facing now with their bills, with their mortgage payments and how these reforms will actually practically impact them. And also talking about you know, framing it again in a patriotic context and not to, some of you and I were talking about this yesterday, that we are not changing to be something different. We are changing to get back to ourselves, to get back to that Victorian spirit of industry and infrastructure that we are returning to become more like ourselves through the reforms that we need to get growth going.

Nicholas Boys Smith ([00:45:53](#)):

I argue for cheap bread, not for free trade. I think if I made that there is a challenge and I'm conscious we, I'm sure you want to bring the audience, but. So when you make the case for, you know, and obviously I do, and we all do, I think in this room for, you know, for more housing for obvious reasons of cheaper homes. The problem is that the, the backlog of homes not built and slightly depending on how you run your economics, it's somewhere between two and 4 million, is so immense that it is true to say, you know, adding another 10 homes there, a hundred homes doesn't in itself change those economics. And the problem is very locally, and I've worked with lots of neighbourhood groups involved in, planning controversial controversies in London and other cities.

([00:46:28](#)):

If you bring in homes that make that little bit of London a bit better, it's a good thing to do, actually might to use the language gentrify that bit of London and that might actually push up local prices. So you do get these quite odd and not unreasonable perverse incentives for people to oppose housing in their very local situation. If they're particularly in social housing and they're worried about affordability, they're worried about the nature of their tenure. So you, there are all sorts of ways of complex incentive that don't necessarily go in the big long term interest. So they're quite rational short term.

Inaya Folarin Iman ([00:46:57](#)):

So we're going to open up to the floor. I mean, we haven't really discussed energy as much as we'd like in this panel, so it'd be very interesting if there's any questions on energy. Because there's varying views in the audience on the panel about the role of net zero. So it'd be interesting to hear from questions around that. We'll take this guy at the front, so we'll take a few questions at a time. This guy at the front. Pamela at the back

Audience 1 ([00:47:23](#)):

So I won't have a question about energy despite being involved in the pronuclear work in Ireland. So that was a bit last minute. I had one written here. I have another question. My question is for the panel about the question of to what extent do you believe that culture is upstream of these questions of growth we're discussing here today? So to what extent do we need an optimistic pro-technology pro-abundance and ultimately pro-human, pro-human flourishing culture as a prerequisite to growth? If at any Mr. Ridley, you spoke a bit about pessimism and them ultimately always being wrong on that. Sam, you spoke about this median voter and catering to that group, which is I think kind of dovetails nicely

with this. And obviously the, this is mentioned in Tyler's book, in The Great Stagnation, he has the line, we should raise the social status of scientists. And so I'd like to get to know to what extent do you agree. And also if you had to wave a magic wand, if you had a Manhattan Project for culture what would you do? What interventions would you make?

Inaya Folarin Iman ([00:48:25](#)):

Great question, Pamela at the back.

Audience 2 ([00:48:26](#)):

Thanks very much Inaya. So Aria is completely right about the early years foundation stage, but it is at least partly Nick and Matt's fault. So let me explain why. It's Nicholas's fault for perpetuating nostalgia for social reformers like Octavia Hill. And this is Matt's fault for perpetuating a narrative that we're top down, not bottom up. Let me explain the noughties and the Department for Children's Schools and Families. 1997, large amounts of money, unrestricted grants and service delivery contracts were given to Barnardos, NSPCC, Children's Society, Save the Children. Some slightly less lovely sounding ones. The National Children's Bureau. National Children's Homes. Lovely Victorian woman in crinolines, maybe with trucks giving out bread to the poor. No. Enormous behemoths with massive press offices and public affairs departments. They then basically went into the Department for Education and Skills as then was with pannies into the department, basically wrote to the 2003 Green Paper:

([00:49:24](#)):

Every Child Matters. Every Child matters. Sorry. This is a really sort of inside baseball information, but it is relevant. The Every Child Matters Green Paper had the five outcomes. Suddenly teaching kids how to read and write went from being the sole responsibility, the sole and priority of the Department of Education to being one half of one fifth of five outcomes. Every child should be happy, healthy, safe, enjoying and achieving. Everyone always forgets the fifth one: preparing for the future. That is what essentially became the early years foundation stage. Because once you have a set of people, really good, well-meaning people, but activists in a department writing policy from the bottom up you know, these are Burkean little, I'm being slightly facetious Matt, but you see my point.

([00:50:13](#)):

They come from Octavia Hill and nostalgia. And then you get to the point where the department gets renamed the Department for Children, Schools and Families. Total capture by the, by the sector to the point in 2008 to 2010, where we had people hardworking officials fighting in public service agreement and boards because one had to drive up the breastfeeding target through Sure Start Children's Services. While the other person had to get women back into the workplace, which they couldn't do if they were breastfeeding. So the French, as I understand it, do not have the same well-funded NGO infrastructure that we do in this country. So my plea not really a question is, don't blame the bureaucrats, [Blame the French.] They're only, no, no, don't blame the French, copy the French. Don't blame the bureaucrats. They're only obeying orders. It is actually the, the sort of British history of a really you know, comes from a good place bottom up way of doing policymaking from, you know, social reformers.

Inaya Folarin Iman ([00:51:18](#)):

Thanks Pamela. We'll just take one more question. This gentleman at the front, just at the front there very quick, then we'll go back to the panel.

Audience 3 ([00:51:29](#)):

Thank you. I want to pick up on the conversation about regulation. I work in VC. I work with policy startups on policy. We have Backlog Britain when it comes to planning, when it comes to the NHS, but also with startups trying to get authorised going through regulators. There's often, for very legitimate reasons if you're cultivating animal fat in a lab you can't get regulated at the moment for a whole load of reasons. And actually the regulators would quite like to be able to regulate you, but they don't have the resource, they don't have the funding. So we often talk about deregulation, but actually how do we make regulators actually work and fix them, even when they want to support and be ambitious?

Inaya Folarin Iman ([00:52:01](#)):

Thank you. Okay, we'll go back to the panel. Nick, do you wanna pick up first?

Nicholas Boys Smith ([00:52:06](#)):

Yeah, I'm sorry. About being responsible for the, the woes of childcare. I'd just quickly do on the Manhattan Project for Culture. I think there's one thing I'd change is that something I didn't touch on would be this. I would, I'd try, I'd like to wave magic wand and allow Britain to fall back in love with its northern post-industrial urban towns. Which in my experience are potential, in some cases are already vehicles, good, purposeful, sustainable lives well-lived, knowing your neighbours, being productive. We talked about Newcastle. And in how then I first met in, in Halifax some of you may have heard me say this before one of Europe's most beautiful buildings is the Piece Hall, which was built in the mid-18th century as a wool exchange market. It's a building of almost surpassing beauty built entirely for commercial purposes.

([00:52:59](#)):

And like most of the great cathedrals and the great, actually we do know the name of the architect, the Great Pyramid. We don't know the name of the architect for certain. So that a building built entirely for commercial purposes by an unknown architect is one of the greatest buildings in Europe. If you don't know it, look it up. The Piece Hall spelled like bits of cloth, not like the opposite of war. So I would wave a magic wand and allow the people who live in Surrey and Suffolk and Sussex, nothing wrong with that, to visit and aspire to live in and value the history and tradition and the future. Not just of, you know, great Yarmouth and Sunderland, but Halifax and Rochdale and all those places. Because they're an amazing bit of heritage that I think we should reinvest in. I'll probably stop with that.

Matt Ridley ([00:53:38](#)):

Two quick points. One, how do we get back to an optimistic culture? I'm not sure we ever had one. If you look at the bestselling books of 1900, they're called things like The Decline of the West. I can't, well, that was a bit later, but, but there was an equally pessimistic one around that time. 1830, Thomas Babington Macaulay, Lord Macaulay, writes a review of Southey's pessimistic book about the industrial revolution, which is just awful. You know, Southey is saying, this industrial revolution lark, it's not going to end well. It's a disaster. You know, we need to go back to Bucolic England. And, Macaulay writes why is it that with nothing but improvement behind us, we are to expect nothing but deterioration before us, which is quite a nice remark. I think just very quickly on the regulation point. One way of thinking about it is what Chris Hodges at Oxford calls outcome-based collaborative regulation. Where the regulator says, what's the outcome we want? Which might include more innovation, more activity in the sector rather than less as it were. And how do you, the industry, and we the regulator, collaborate to achieve that without too much regulatory capture. Easier said than done, but that's the right way to think about it. I think.

Sam Richards ([00:54:58](#)):

Sorry, you can say. So just on the point of culture and growth and which it's upstream of which I think one thing that concerns me, and again, it's based on a conversation that I had yesterday, was for we've now had 15 years without growth, and that almost some places have, or, I mean much of the country have kind of lost a sense of what it even is to be growing. And I think that breaking that cycle is incredibly hard. I think potentially a little bit of regional competition and regional tension could help. And maybe that's where enterprise zones and these sort of things come in. But even maybe, you know, this is where great schemes like the one by Octopus Energy who provide your neighbour with a brilliant wind turbine and it gives them 25% off their energy bills that might make, might make people go, hey, I want some of that. I want some of that growing economy, that cheap energy. Would you agree, Matt?

Matt Ridley ([00:56:00](#)):

Definitely. If it's cheap.

Aria Babu ([00:56:04](#)):

So I definitely think obviously culture will inform what kind of politics you have and what kind of incentives you have. And then incentives will inform what kind of culture that you have. But whenever I think about countries that seem to be getting things right, the two that always spring to mind seem to be Israel and Estonia. Those two are countries that just seem to be able to get things done. Regardless of sort of how you feel about their politics or whatever. I think some of it might be to do with the fact that I think those are both countries where they have a sense that their civilization is at war. They've got people who do not like them on their borders. And I think it means that you have to be brilliant if you're in one of these countries. You have to have a state that runs well, otherwise you're going to be faced with annihilation. I don't know how we can replicate that here because, I think we probably are to some extent faced with some kind of...

Nicholas Boys Smith ([00:56:49](#)):

French. The answer's the French, that's what the 18th century had. Perpetual conflict with the French. It all comes back to French.

Aria Babu ([00:56:57](#)):

The other group that, this is just an opportunity for me to talk about one of my little obsessions, that I think a lot about. Is the Puritan settling of Massachusetts Bay and how they also managed to create a really fantastic culture. Some of it is that you get the 80,000 people who are getting persecuted for their beliefs. You get people who believe very strong things. But for generations and generations you have such a weird proportion of inventors and polymaths and abolitionists coming out of this community. And clearly something was about how they fostered that culture. I have no answer, I think, to how you can foster that again. Maybe because the incentives are wrong and all kinds of things like that. But I definitely think that if you understand how to hijack culture, and if you can figure it out, then you could make a massive difference.

([00:57:40](#)):

On what Pamela said, yes, yeah, I agree. Basically completely which is complicated. Because obviously I also would like to be an activist who can go into a department and completely rewrite what they're doing. But I would do it right. And everyone thinks that. But the NSPCC, they did a very similar thing with, as far as I can tell, the Online Safety Bill, which is currently completely incoherent because they

want to preserve free speech and also ban free speech. I don't think they've squared that circle. And part of that is because they've got activists with very different beliefs coming in to write it. Yeah, I'm not gonna answer Andrew's question about how to support regulators.

Inaya Folarin Iman ([00:58:15](#)):

Very quickly Matt.

Matt Ridley ([00:58:16](#)):

Just a very quick postscript to what I was going to say. If the culture was equally pessimistic in McCauley's time, how come they didn't get purchase? How come it was possible to have an industrial revolution? And the answer is because the activists couldn't get purchase - political leverage on the system in those days to the way they, to the degree they can today, which I think comes back to Pamela's point.

Inaya Folarin Iman ([00:58:38](#)):

Okay. next round of questions. So we'll take three or four at a time. So this gentleman in the front and Rachel in the middle over there.

Audience 4 ([00:58:56](#)):

Thank you. James Dixon. I'm thinking about the culture question that the gentleman over there brought up. And it's the idea you can potentially have a culture where you don't need growth. If you are retired, you own your own home, all of the services that you need are sort of that. Now we're starting to get to the point where growth is not able to provide for that as we see in public services in the NHS, et cetera. How do we create that culture where you need to buy into growth? Maybe we're already getting there just through the way it's being forced. But how do you create that culture of needing growth for everybody and getting those incentives aligned?

Inaya Folarin Iman ([00:59:29](#)):

Okay. Rachel there, then Munira at the front.

Audience 5 ([00:59:40](#)):

I'll shout. I had a question about immigration that hasn't come up yet. Because quite a big part of our implicit economic strategy for the last couple of decades has been to grow our population quite well. And one read of public opinion is that people didn't vote for that and didn't want it, and now don't love the fact that they have to build much more housing to accommodate it. Do you think that that's a major factor when we're looking at housing development, including potentially what we do, you know, local housing for local people? And does it make you feel vaguely more sympathetic to the opposition?

Inaya Folarin Iman ([01:00:24](#)):

Very good question. Munira at the front here.

Audience 6 ([01:00:29](#)):

Thank you. My question sort of follows on from Rachel's, which is why is it that the public is sceptical about growth and some of these very sensible planning reforms? And I don't think it's because they're stupid. I don't think it's false consciousness. I think when it comes to development, they've had lots of

experiences of big developers gaming the viability test. And I'm very much in favour of planning reform. I think we should build more houses. But I do recognise why the British public think that the system is rigged against them and they're suspicious that political parties take money from big donors and so on. So is one way to change their scepticism for politicians to show that when bad things happen, people do get punished. And I was thinking about how people on the left and increasingly the right have talked about the banking crisis and said, why did no banker go to jail?

[\(01:01:23\)](#):

If you look at areas like the regulation of the workforce and rights for workers, we have lots of businesses in the UK where employment rights are not enforced and people are not being paid their wages. There is a regulator, but they don't enforce anything. So for capitalism to survive, for people to fall in love with business and private enterprise again, does the state need to be more demonstrably clear about when people are breaking the rules and trying to stop that on behalf of ordinary people? I'll say, this is a pro capitalist blah blah.

Inaya Folarin Iman [\(01:02:07\)](#):

I'll say one more question. Jed at the back there.

Audience 7 [\(01:02:14\)](#):

A question around Sam's pointing critique of the civil service. I think the three that you raised are very accurate. I'd add a fourth, which is it's increasingly an arm's length body of the Labour party. It's sort of soft left. It doesn't want to do things, it's got its own opinions. Is it time to acknowledge that and maybe actually bring political appointee civil servants to, to the forefront? To be honest about it?

Inaya Folarin Iman [\(01:02:36\)](#):

Interesting question.

Audience 7 [\(01:02:37\)](#):

I say that as a civil servant, by the way. Like, I hope this is a safe space.

Inaya Folarin Iman [\(01:02:45\)](#):

Does anyone want to pick up on the things that we've said, question about the civil service, immigration, the public aren't stupid. You know, there's, there's legitimate reasons why they've been concerned. Matt, do you want to start?

Matt Ridley [\(01:02:57\)](#):

Yeah, just on Rachel's point. If you are say a Lib Dem politician making a nimby case in your constituency, but arguing for complete free for all on immigration, then you are a hypocrite. You know, that, it's clear that the two are in conflict. You can't have it both ways on this. That doesn't mean, you know, I'm saying that, I know the answer to that, but I do think it's, that is an issue. And, we've got David Goodhart in the room somewhere, and he was the first one to start pointing out that all sorts of degrees of social cohesion might be under threat from mass immigration. So I, you know, I do think that's a nettle that has to be grasped. How do you change that?

[\(01:03:42\)](#):

You Munira, you start bribing people, right? You start saying, okay, they're going to build houses that are going to block your views, but don't worry, here's £500 or £5,000 or something. Now you don't do it quite that explicitly, but you build a new school or you blah, blah, blah. And what I think the public sees at the moment is that all the money that goes into getting planning permission, as I said, goes on consultants. It doesn't go to the local community to provide better services. There is a thing called a Section 39, sorry Section, I can't remember what it's called. [106.] 106, thank you Section 106 where you, you know, money does, but they don't see that. They don't feel that, they don't know that. Your negotiation if you're the developers with the council, not with local people. So that has to be the way to sort of approach that issue.

Inaya Folarin Iman ([01:04:32](#)):

Sam.

Sam Richards ([01:04:33](#)):

So to go back through them in reverse order, I think it probably is fair to say that the majority of civil servants, certainly those who work in Whitehall, are of a broadly Blairite persuasion. And certainly the ones who work in the arms length bodies as well. But I come back to the core fact that ultimately despite that, the sort civil servants that I've worked with have been very good at putting that aside. And more than that, I think that it comes down to having faith in the politicians being able to stick with the reforms. And it is ultimately down to the politicians. And that's why we then need to feed in the sort of bottom up approach of giving them the political support in order to get the reforms over the line.

([01:05:24](#)):

I don't think there's sort of, you know, there's need for a sort of a grand recognition of the kind of the soft left nature of what I don't, I think that's quite right. But on the other point, so to go back through. So Rachel I mean in every focus group that I've done as part of the campaign, in every one, when you talk about house building, the first thing that people say is, oh, well they're just going to go to immigrants. And particularly in lots of post-industrial northern towns that have seen recent large influxes of people who come over from small boats, they will say, well, that's just going to go to the large number of Afghans in the hotel over there. That's just going to go to that large group of Albanian men. And I think it is a real misstep. Of course, we should celebrate the fact that as I think The Entrepreneurs Network have got a report coming out, is it tomorrow or very soon, that shows that of our a hundred. What is it, what's the, what statistic of, of the, you know, [Company embargo.] Okay, no, no, no spoilers, but lots of great startups.

Aria Babu ([01:06:33](#)):

When we did the report in 2019, it was a very high proportion of our highest growth startups are founded by immigrant entrepreneurs. And that's true basically across the world.

Sam Richards ([01:06:41](#)):

Exactly that, exactly that. And of course, of course we should recognise that. But at the same time, for those who are pro-growth and those who are pro-house building to only talk about supply and ignore the fact that we have added 1.1 million people to the UK population over the last two years, it's not only tone deaf, but it's ultimately totally self-defeating because you won't even get a hearing on the need to build homes if you don't talk about the impact on on demand as well. And Munira I agree. Yeah, we

should just rung up the bankers and yeah, we should be doing this. [The bubble French bankers.] Absolutely right, the guillotine. And no, we should be doing the same for the, for the major developers.

Inaya Folarin Iman ([01:07:29](#)):

Aria.

Aria Babu ([01:07:31](#)):

So I'll talk about the civil service first. It's clear that the civil service probably disagree with the government, but it's because, I say this as a Conservative. I think the Conservatives have made a very strange choice by deciding to lose all of working age people in elections and also lose London. So Jeremy Corbyn would be Prime Minister if only people with jobs voted. So it's going to be very difficult for them to hire a civil service based in London that agrees with them. So, I don't know that hiring a political civil service is going to work on that basis. It's just a big problem that, and they probably need to figure out how to make a conservative case for people who aren't retired.

([01:08:14](#)):

And then, I want to tie what James said with what Rachel said. Which is that we obviously need immigration if we aren't going to have children as a nation. If we can't basically have this increasing ratio of pensioners to working age people and expect to still have low taxes and good public services. And I would blame some of our problems on the fact that we do have quite, quite a low birth rate and that about half the population works full time. So as a result, if we need immigration to function then I think we do have to be able to work out how we can make sure that people do not feel like they're losing out based on immigration. Part of it is just racism and I don't know how to deal with the fact that people don't like people who look different and speak different languages.

([01:09:06](#)):

I think you can probably do some cherry picking of your immigrants to make them more popular. Most people like Australians and Americans and Canadians and people who basically speak English fluently. So Scandinavians and Indians as well. And they don't like people who make their lives harder. And we haven't been very good at promising people the kinds of immigration that they want. Post Brexit, we were meant to get a points based immigration system and instead we got 1% of the Albanian male population moving here. I think people would be much more in favour of immigration if we could actually get them the immigrants that we told them that we want, that they were going to get. And you can see this in the polling, that people say that they're not happy with the levels of immigration, they want less immigration. But if you ask them, they want more nurses, they want more waiters, they want more doctors. Any profession, they're like, yes, I would like more of that. So we should probably be giving people more of that. And I think then they'd be happier. People are very happy with ideas like let's build homes for the NHS workers. That does seem like a solvable problem.

Inaya Folarin Iman ([01:10:00](#)):

Quick question about that Aria. I mean, some people would push back saying that actually our dependence on immigration means that we're not training people in our own country, so it disincentivizes businesses and so on to actually invest in training in our own country.

Aria Babu ([01:10:14](#)):

It probably does do that, but I think we are basically because of the birth rate problem, I don't think that's a big feature of what's going on. And that British workers do seem to, you know, half of us go to

university. That seems like a roughly good ratio compared to other countries. So it's not clear to me that the British public is particularly low skilled and we're just supplementing it with very, very well-trained people from other countries. So I understand kind of what you're saying in theory, but it doesn't seem to match in practise what's going on.

Inaya Folarin Iman ([01:10:45](#)):

Okay. Nick, did you wanna pick up on anything?

Nicholas Boys Smith ([01:10:47](#)):

Yes, just a couple of quick things. So I mean we run lots of workshops with neighbourhood groups in one way, another involved with development. Sometimes they're opposing it and we're trying to help them stop opposing it. So I mean, we don't particularly encourage questions about immigration because it's a bit outside what we can help on. Because if we're looking at a development in rural Devon, we don't really have talking about immigration in our solution space, but it does come up. I think it probably comes up more than it used to. It actually comes up in different ways. So you definitely get, I'm thinking of one in Hertfordshire the other day, you definitely get the comment you just made. You get a flip side of it as well. If you're working in a high immigrant community or you know, perhaps more urban one, particularly in London where actually it's, it comes back to the G word - gentrification.

([01:11:26](#)):

So they're worried it wouldn't, the people who come and live here, it's not that they're worried they're going to be immigrants, they're worried they'll be gentrifiers. People who are not like us, people not from this bit of London. So I think it flips in different ways, in different places and different communities. But it's definitely there. To Munira's very important question about why we're sceptical for growth and how do we change it? I probably said it too quickly at the, in my talk because I was being stressed by those nice gentlemen at the back again. But it, it really does come back to this key point about planning versus regulation. It is not unusual. It is normal to regulate the built environment. Civilization has always done it. The Romans regulated how you could build in CLR blocks.

([01:12:07](#)):

The Greeks did it. The earliest city that we've got evidence of its block pattern which clearly had some sort of guiding regulation about what you could put where. And you know if Aria and I lived next to each other in houses in 12th century City of London, there was regulation stopping me put thatch on my roof because if it burnt down, it would've burnt down your house. You could've got at me through common law, but you'd probably just rather I hadn't burn your house down. So that's age old. But we got confused about 70 years ago and substituted, I think very politically necessary regulation of the built environment for essentially top-down planning. So the way I've tried to phrase it perhaps in a way to be nice to planners is that let's bring the democracy forward. Rather than having a focus on the case by case complex, expensive development control process.

([01:12:53](#)):

Rather than having local plans which are much longer than most countries, over a much bigger area and a much weaker actually because they're policy documents, not regulatory documents. Let's, in a way that's politically acceptable locally, let's pull some of that case by case arguing into just clear regulations. And then this is the critical bit, and the bit will be hardest to do. But the government's I think moving, making some good steps in the right direction. As long as you follow those local regulations. We can't yet do this in all places. Everywhere you have the right to build you just, it is tick box. Tick box often

used as a criticism. Tick box is perfect if you're building a house because you just need to tick the box. You don't have that high cost of capital. You just as long as you build what's on the shelf.

(01:13:30):

In fact those Swedish examples I showed a bit too quickly. You just know you can buy them because you can build them this part of Sweden and that part of Sweden and that part of Sweden. So ultimately we need to pull the democracy forward and do that. It's going to be hard to get there, but there's some things are happening. So it's a very important reform a few years ago, quite rightly, I think sort of slipped through quite quietly, which was creating a new Type E use class. Regulation or planning of use is the most sort of diabolical form of planning. Clearly you want to do some planning of use, you don't want to have a nuclear power plant, sorry, you know, in the middle of an urban centre. I think the politics would support it. So you know, really noisy noxious activities you don't want to have in urban centres.

(01:14:03):

Beyond that, not much. But now you can actually, there's much less requirement to get planning permission to change from a shop, to an office, to a home. That's a really important thing. There are other possibilities called Local Development Orders. Neighbourhood Orders, Street Vote. So I think that's the answer. But you've got to, I think for the people to buy it, certainly at the moment, the current political environment, they've got to feel that this is something that we trust the outcome of this, rather than trying to push it all into development control. And then just on the point about breaking the rules, yes, this does come up a fair bit. Because there's the enforcement of planning and local planning regulations is very poor at the moment. Again, you can say we just need to chuck more money at it, but we're currently trying to run a Rolls Royce system and we'll never have the funding to run a Rolls Royce system. So I think here technology and AI will actually help us to check more quickly whether what has been built is what was said would be built. But I mean, I think ultimately it's about the process of planning moving into clearer building regs that will get us there. But it will be, it'll be a slow process.

Inaya Folarin Iman (01:15:01):

Thank you. And we'll go for another round of questions. This lady at the front here, then the gentleman in the middle over there.

Audience 8 (01:15:12):

Before I ask my question, I'd like to say one good thing about France, which is that the state pays 80% of all crèche costs from two and a half months to three years old. Between three and six kids don't have to go to school. But if they do go to a école maternelle, that is also funded to about 80%. And I think that is significant in the wellbeing of the families and the work that they do. But what I did want to talk about was language. The last session was about rekindling the economy and there's been a lot of historical analysis about going back to golden days based on empire, not based on empire. And while I think it's great to take pride in our heritage, I think British exceptionalism is a huge problem. And the language of exceptionalism is a huge problem and it's a huge problem for people who haven't taken part in those great movements because they feel doubly left out.

(01:16:06):

So there are things that can be said to encourage people like, houses for NHS workers or I don't know, the white feet of technology or peace in our time, or the white people, whatever. There are better slogans that can be used. So one of the things I wanted to suggest was could we not look to sort of contemporary models for the future rather than constantly harking back? And one of the models that I think, sorry, it does come from Europe is very, very useful is deliberative democracy. And the OECD did a

report of about 250 local and regional cases from Paris. Macron debating euthanasia to local housing issues. And there are fantastic reports. It does bring decision making into the hands of local communities and in some cases it produces very surprising results of the kind that you're looking for. Does anyone on the panel have experience of any of these processes? And why don't we do much of it in the UK?

Inaya Folarin Iman ([01:17:05](#)):

Hands up as and after.

Audience 9 ([01:17:08](#)):

So this when Aria said that, you know, look at efficient examples and they're small like Estonia and Israel. And if you look at it, it's quite interesting that efficient countries tend to be small. And yes, there's one thing which is the sense of threat, but the other thing is that people know each other. And for this second factor, if you think bigger countries, when they become efficient and the line seems to be somewhere around 5 million people, they fall back on regionalization. So the Swiss, the Cantons know each other, get shit done, blah, blah, blah. And the interesting thing, so obviously the enigma is France because how can big country get shit done? And I said, asked this to them once, and they said back to me, why do you think we don't know each other?

([01:17:54](#)):

It's obviously a massive elitist system. Everybody has gone through enough. So they don't know each other. So Britain almost has the problem I would say that it is too big, doesn't have the regionalization. So people don't know each other. So Britain, what it's doing now, I'm going to say this as a German who lives here for many years. What Britain's doing is with these and Andy Haldane spoke about this, is these metro mayors. But again, it's completely voluntary and it creates a big mess because to be honest, I live in Somerset and around Yeovil if you want to invest, you have no idea who's in charge. Is it the MP, the LEP, the devolved authority, the mayoralty? And the, the question is, is this just how Britain works? It has to be by consensus. And let's see who wants it or not at the cost of complexity? Why can it just not be implemented? I mean that is the regions, there's seven regions, there are roughly 5 million people, just get it done. So my question is just, is that just anti, culturally not possible? Because it's so obvious that that is one key factor unless you have the sense of threat, which would require a war with the French, hopefully this time.

Inaya Folarin Iman ([01:19:05](#)):

So this is our last round of questions, so we're just going to take a few more points. Please keep it really short and sharp. So the gentleman over there, the young lady over there.

Audience 10 ([01:19:13](#)):

Oh, I wrote a question. So a theme that came up was the level of involvement from consultants, lawyers, NGOs, regulators in economic decision making and this sort of bloat of the regulatory ecosystem. And my question is, is this not partly a result of the government taking a deliberate step back from taking a strategic role in the economy? You know, we've had outsourcing and privatisation of expertise, decision making, the hollowing out the state capacity. And we can certainly see the way it's impacted energy and transport and goes part of the way to explaining why we have such high prices for building nuclear high speed rail. But also arguably has an important role to play in the housing innovation industrial policy as well.

Inaya Folarin Iman ([01:20:00](#)):

Thank you. And just that lady over there.

Audience 11 ([01:20:04](#)):

Hi, I'm Phoebe Arslanagić-Wakefield from Boom, the campaign to reignite the baby boom. I have a question for Aria and Matt. Aria, you said it's impossible to deregulate early years childcare to make that argument. Is there a group that's well placed to make and win that case? And that makes me think about Matt's vested interests. You know, what vested interest can we deploy here?

Inaya Folarin Iman ([01:20:24](#)):

And just one final question before we go back to the panel. Thomas.

Audience 12 ([01:20:34](#)):

Cheers. Hi. My question's about, well it's for Sam actually, about dispelling old school economic narratives. So Stoke has this reputation for being the home of ceramics and the potteries. But its biggest employer is Bet365. And I'm not saying the way out of The Great Stagnation is online gambling, but the, I think there's something to be said for trying to kind of reconstruct a narrative which isn't actually going back to the Victorian days, but thinking these tech transformations are taking place already in these cities, in these towns across the country. So I'm wondering from the work that you do, sort of, you know, how you see those narratives playing out and I guess what role there is politically moving forward to try and sort of, I guess create that positive future for these places.

Inaya Folarin Iman ([01:21:22](#)):

David Goodhart. Did you have your hand up? Because I know that you had mentioned earlier, do you wanna, did you wanna quickly make a point? Okay.

Matt Ridley ([01:21:29](#)):

I took your name in vain, David.

Audience 13 ([01:21:33](#)):

And having mentioned my name, I felt I ought to say something and I'm sort of reinforcing what Rachel and Munira were saying about, well, kind of implicitly about the divergence between growth, GDP growth and wellbeing. I mean, probably a majority, I mean I can't remember the last time I looked at the polls, but something like 50 or 60% of people in Britain say that society is changing too fast and it makes them feel uncomfortable. So if they associate growth with change, they're not going to be in favour of it on the whole. Immigration has already been mentioned, but I think the family too is absolutely crucial here. I mean if you, you know, it's not just, you know, you associate growth with high immigration, you also associate it with huge stress on the family.

([01:22:20](#)):

The double shift, particularly for women you know, if you go back to the 1950s, and of course no one is suggesting we should go back to the 1950s, but you know, you had a breadwinner and you had a homemaker, you had one contributor to to GDP. You now have the equivalent family will now have three contributors to GDP. The double breadwinner family and the person who's looking after the kids. And that is progress in some ways, but it's also a kind of artificial increase to GDP, which is not seeing a

corresponding increase to wellbeing. And just a brief addendum as Diane is in the room, Diane wrote an amazing book about GDP, which is terrifying, absolutely terrifying in parts, the very, very fine judgments which distinguishes between a financial sector, which is 5 or 6% of the economy and one that is 9 or 10% of the economy. We just kind of don't, not only is there this divergence between wellbeing and GDP, but we don't even really know what GDP is properly counting. Obviously it's massively undercounting the, all of the activity that goes on in the family and in informal care and so on. And we kind of need to factor that into this whole debate about growth.

Inaya Folarin Iman ([01:23:41](#)):

Thank you David. Okay, just one minute each panellists very, very quickly. Sam, do you want to go first?

Sam Richards ([01:23:49](#)):

Okay, so just very quickly with this gentleman's comment here, it is possible to construct a narrative that is both nostalgic and patriotic and also modern and forward-looking that looks to the future of the British economy as service economy, but also recognises that we need to build stuff. New homes, new transport links, new sources of energy. And to this gentleman over here, the main barrier to that at the moment are our planning regulations and the onerous environmental impact assessments. It takes 13 years to get a new offshore wind farm up and running when building the thing takes just two. The reason for that are the environmental impact assessments and the time it takes to get a good connection. Very quickly to this lady's comment here, who spoke about the need for a narrative that moves beyond British exceptionalism. Can I just very be very cheeky and ask everyone in the room who is British to put their hands up. Everyone who is proud to be British, keep your hand up. I think that every coherent narrative on growth runs through pride in this country. This is the greatest country in the world, but we've got a small issue with [the French] with the French. And with the Australians and with our state of the economy. But we can once again be a wealthy nation.

Inaya Folarin Iman ([01:25:11](#)):

Thank you. Matt.

Matt Ridley ([01:25:12](#)):

Can I link two questions together? The one about centralization versus federalism as it were and the one about the the quangos. I think they're the same issue. I think what this government, what this country has done over the last 50 or 60 years is take power massively to the centre, away from mayors and regions and councils and counties and all that kind of thing. And then redistributed, not geographically, but sectorally to powerful quangos. And I think that's a disaster and I think that would be a good one to reverse.

Inaya Folarin Iman ([01:25:47](#)):

Thank you Aria.

Aria Babu ([01:25:49](#)):

So I want to come back to what you said about French childcare. I think if we spent the exact same amount that the French government did on childcare, we would still have incredibly expensive childcare because theirs is just, it's just worse. Their childcare is worse. And that's a good thing is basically what I'm trying to say. They have, they have way more children per adult. They do not have such a rigorous

curriculum and it's cheap to run. And I think that's fantastic. With Phoebe, what Phoebe said. Yeah, I think we do need someone to basically really criticise the early years meme and maybe that is what Boom should do. So please. And then quickly on what David said I think for what you said to be true, I think you have to believe that basically that specialisation of labour doesn't make sense when it comes to childcare and all and all that basically all women are basically specialised for childcare. If you are, if you think that the two income household is not an advance. I think there are probably lots of people who are very well suited to be professional child carers and lots of people who make fantastic parents who do not, who are not best placed to withdraw themselves from the economy. And so I do think that people working and paying child minders is like, is a very good thing.

[\(01:27:00\)](#):

Nicholas, one minute.

Nicholas Boys Smith [\(01:27:04\)](#):

Very appropriately the people at the back are waving their signs again. I'll be very quick. Well quite quick. Just on the deliberative democracy, so we Create Streets run lots of what we pompously call charettes, which is a sort of deliberative process to get support for local development. Obviously when I run them, they're brilliant and very fair-minded and and perfect. However, they are very, very capable of being manipulated and I have seen them manipulated time after time. So I think our sort of mantra is when you're trying to involve the people in supporting local homes and development, engage deep. I run those, do that. because actually you can get people to agree most people are actually reasonable and they can make trade offs between themselves but also engage wide.

[\(01:27:44\)](#):

And again, here I think technology is transforming the situation. I mean, literally over the last few months, a few years, we run an online platform, we ask very simple questions. What's your favourite place in this area? Which, place do you least like, which would you most like to see improved? We get remarkable and statistically significant you know, agreement on that. And we then use that to build a coalition for reform. And then AI is then transforming that even further. So point 1 on that. Point 2, just on local government. I mean I spent part of the first part of my career actually doing lots of organisational reform in the private sector. I have to say I came to the view that it was nearly always a complete waste of time and that the amount of disruption you created and people jockeying for jobs certainly, so of course enormous amount of anguish en route.

[\(01:28:25\)](#):

That said, we do have a systemic problem with the way most of our local government is run and building houses. So when we have a non unitary system when you've got district councils and county councils. Typically always county councils have highways and district authorities have planning. And those two can and often do in my personal experience, you know, contradict, disagree, this, that and the other. So that creates a definite potential. I do get nervous and this is perhaps going beyond my area of expertise, but I do get nervous when you pull apart areas of local government and sense of local identity, which I think really matters. So if I could wave a magic wand, which I don't think I can on this, I would have many of what's now the district or the unit authority at the county level and I would align those counties to the historic counties of England, Scotland, and Wales.

[\(01:29:06\)](#):

And then I'd push a lot more power down to the parishes. And I think rather, dare I say it like the French, I would then have a powerful mayor in each parish. And they, I'd say set some bits of policy and the rest goes up. That's what I would personally do. I think that's about to happen. No, no. One more thing. I

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wanted to bring the French very, very quickly just on Stoke. So interesting. I spent a lot of time or some time going to the equivalent in France of Stoke on Trent, which is Limoges, which has also got a great history of pottery. they've also kept that going. It's now an elite high-end thing. Limoges a much nicer place to go to than Stoke. Weirdly I was in Stoke on Tuesday. They've sorted out their huge great one-way system going through the town of Stoke hasn't. And it is a place you would actively seek to go, not just to buy lovely high end pottery, but to relax, have a meal. Have a lovely time. There you go. Thank you

Inaya Folarin Iman ([01:29:52](#)):

Don't leave your seats just yet we have an announcement. But firstly let's have a round of applause for our fantastic panel.