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Turf Moor into Singapore

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Distributed Policy Making (DPM) via Permissive Legislation for re-industrialisation of our left behind towns and cities. A proposal to turn Turf Moor into Singapore.

Summary

Politicians like to make our choices for us. They like to decide how our money is spent, what food we eat and how we do business. The freedom to choose is the cornerstone of all free-market philosophy and the driver for prosperity. With this in mind, it is no wonder our left-behind towns and cities suffer from choices made by third parties, who have no connection to the region and who govern with a country-wide, federalised approach.

In this essay, we propose a solution for top down, out-of-touch and damaging policy. Distributed Policy Making (DPM) implemented via Permissive Legislation. DPM will allow distribution of policy on manufacturing, regulation and workers' rights to the local regions where these policies have the most impact. It will enfranchise small and local enterprises and let left-behind towns and cities rediscover relative advantages to level up their economies. Using DPM we can reinvigorate depressed regions and inspire new levels of growth and prosperity not seen in the post-war era.

Introduction

When Jordan North (of "I am a celebrity" fame) referred to Burnley's Turf Moor as "his happy place" many viewers responded with confusion.¹ For many of the London based latte/luvvies brigade, the (literal) viper's den in which Jordan found himself was probably preferable to the Lancashire Moors or the average Burnley working man's clubs. Admittedly, even to author of this essay whose family is from Burnley, the idea that Turf Moor was a happy place was inconceivable, with most associating both Burnley Football club and the town itself as a place left behind by the modern world.

However, this was not always the case. Burnley was once a world power in both economic and footballing terms. The team won the first division title in 1960 (coming runner-up the next season) and the successful textile industry was an attractive prospect for both domestic workers and immigrants alike.² Burnley's cold and humid climate gave it a relative advantage for textile production (perhaps in the football as well) and was one of the reasons that Burnley grew so quickly in the post-war period.

Unfortunately, the centralisation of manufacturing/jobs and overreaching federal policies along with a Westminster-biased decision-making process has helped kill manufacturing bases like Burnley. Consequently, as other countries caught up with the UK, less constrained markets and competition have consigned Burnley to the scrap heap of the former industrial manufacturing powers.³ However, this need not continue. The downfall of left-behind towns and regions can be halted and towns like Burnley can be on the ascendancy once again.

In this essay, we propose the implementation of distributed policy making (DPM) to address the problem of our left-behind towns and cities. DPM is free to implement, political feasible and crucially, consistent with a framework that prioritises the freedom of free markets and individuals. This proposal would allow the residents of towns such as Burnley to be free to choose their policies, their regulations

¹ https://www.youtube.com/watch?v=dr8tK_OsXX0

² Incidentally, the authors grandfather and grandmother chose to immigrate to Burnley over California.

³ <https://in.apparelresources.com/business-news/trade/india-bangladesh-together-can-achieve-35-share-global-textile-market/>

and crucially their own futures.⁴ For the wider country, DPM will allow the residents of the UK to have their cake and eat it too. We can retain the natural beauty of areas such as the Lake District, the Highlands and the Jurassic coast while enfranchising left-behind towns and regions into astronomical growth and employment levels not seen for a century. DPM represents not only a lifeline for our former industrial towns, but also a fairer method of regulatory governance.

Under DPM, Burnley and its contemporaries can prosper again under free market policies set by themselves. We can turn Turf Moor into Singapore and let “laissez faire” Lancashire become a global manufacturing powerhouse and icon for commerce.

Distributed Policy Making

In many ways, our UK towns are fundamentally different from each other. One need only consider nuances between Burnley vs Brighton or Bristol vs Preston to see that these regions have different requirements, needs and economies. Setting policy at a national level and attempting to incorporate all these regions is likely to result in policy that suits the needs of only some or even none of the regions specifically.

This author’s proposal is a simple one; distribute policy making on areas that affect manufacturing and industrial production to the regional and/or local council level. In enacting this policy, we will allow local governments to make decisions on setting the minimum wage, hire/fire policies, and environmental regulations with the aim to allow regions to tailor their local regulation levels to their local needs, interests and requirements. For example, regions with low costs of living could enact a lower minimum wage in order to encourage businesses to set up, which in the context of the lower cost of living maybe equally attractive to prospective workers. Or perhaps regions with high seasonal worker requirements could relaxations on worker hiring in order to make the rapid uptake of intra year hiring easier. In addition to the policy itself we will also discuss a mechanism for implementation (permissive legislation) which will help foster the political palatability of this policy.

While this policy may sound radical, it is actually quite sensible and the supporting arguments behind it are simple. Why should regions (such as Burnley), where the cost of living and per capita productivity is low be governed by the same laws and standards as highly developed regions? In fact, we already see these types of regional weightings applied in areas like London weighting in public sector pay or regional per capita investment in the form of the Barnett formulae. People are happy to concede that at a regional level, different areas have different costs of living, different wants and needs. It therefore makes sense to have the decision-making on regulations made to reflect these differences.

Economic Benefits of DPM

Implementing DPM will let places like Burnley tailor their regulatory environment to maximise the growth potential of the region. Crucially, as well as tailoring the local economy to any perceived relative business advantage, this policy would also allow new relative advantages to emerge. We are not suggesting that towns like Burnley will necessarily rediscover their old industries, but we believe there are new and novel industries yet to be discovered that might be well placed in these towns and are currently being held back by restrictive federalised policy.

In fact, there appears to be a precedent for this assertion. Agtmael & Baker’s work “the smartest places on earth” outlines how rustbelts in the US have become new hotbeds for innovation with traditional rustbelt regions converting to “brainbelts”.⁵ No one would have anticipated North Eastern

⁴ https://en.wikipedia.org/wiki/Free_to_Choose

⁵ <https://www.ft.com/content/e600b592-e61c-11e5-a09b-1f8b0d268c39>

Ohio, a region formally dedicated to car manufacturing and steel production, would become a centre for excellence in the field of new materials engineering. It is any less likely that Burnley may become a centre for cybersecurity. What about nanotechnology? Or perhaps the production of high-end fashion items?⁶

Afterall, the relative advantage a region may have for certain industries, such as the textile industry in Burnley, is not always obvious from the outset. In fact, the reason mills started to be constructed in Burnley was due to the prevalence of waterways and canals driving the easy movement of goods. The fact that Burnley, being cold and humid had a relative advantage in textiles manufacturing⁷ came later as the mills which opened in Burnley reliably produced greater quantities of products than in the surrounding towns. Industrial history has a survival bias, we forget about industries that fail in favour of the ones that succeeded and we will not discover the next productive industry for Burnley without some experimentation.

Under DPM, left-behind towns such as Burnley with nothing to lose can opt for more classical liberal approaches with the aim to encourage more investment and enfranchise growth at the regional level. On the flip side of the coin, regions with more functional and well-developed economies such as London, Bristol and Brighton will be free to impose their restrictive (luvvie style) policies locally. Crucially, these regions would also bear the consequences of these policies locally and would no longer be free to push the costs of these policies onto different areas.

The success of DPM would also encourage inter-regional competition. Few regions would want to have the higher regulatory burden compared with their surroundings and as a result there would be race to the top, with leaders of the local economies scrambling to make their region the most attractive to investors and to maximise employment and jobs potential to secure votes. We consider this quite likely given the clear impact of Delaware effect in the US.⁸ Consequently, this policy would also have the benefits of helping spread the ethos of free market politics to left-behind towns. As individuals witness the success of those regions which imposed more laissez faire policies.⁹

Proposed Regionality

One of the key questions to answer with respect to DPM is what regional level of distribution would be imposed. We believe the most sensible approach would be distribution to the county council level. These regions are large enough to prevent confusion over regulation boundaries and small enough that the councils can still be in touch with the needs of the local community. For context, this would create about 25 regulatory sub-regions within the UK. For large national companies, we do not expect much regionalisation or customisation based on the local region within which they do business. This will provide a key benefit of the policy. While large firms will likely have national standards to reflect their national presence, small/medium sized enterprises and local start-ups will be able to take advantage of the regional differences in policy to find relative advantages with which to grow their enterprises.

For example, consider the case of regional devolution of beef standards, McDonalds would be unlikely to regionalise their supply chains to such an extent that they could advantage of any such deviation.

⁶ We might concede that in the town of Sean Dyche, freezing winters and Benny & Hot this is probably the least likely of the three to become a major new industry.

⁷ https://www.rotronic.com/media/news/files/1466672291_FF-Textiles.pdf

⁸ <https://de.zxc.wiki/wiki/Delaware-Effekt>

⁹ <https://www.investopedia.com/why-silicon-valley-companies-are-moving-to-texas-5092782>

However, a subregional franchise (think Burnley Burgers) would be able to take direct advantage and potentially produce a cheaper product that would be equally palatable.

Permissive Legislation

There is a question on how to implement such a policy and how to gain broad political support. Modern politicians are often quite conservative when it comes to enfranchising local governments to make the decisions that they currently do (possibly to try and preserve their own jobs/importance). One of the most perplexing examples of this is in Scotland where, despite the Scottish Nationalist Party's stated aim of devolution of political decision making to Scotland, they run a uniquely centralised regime that has prompted calls from Shetland islands to vote for independence from Scotland.¹⁰

While we are arguing that DPM would lead to greater liberalisation of markets, many of the calls for DPM style implementations have come from the left wing of the political sphere. In Preston, the local council has promoted a regional style model based on municipal socialism.¹¹ Similarly (lefty style DPM) programmes have also been trialled in Cleveland, Ohio and while we may believe that the socialist approach is misguided it shows the appetite for experimentation and the drive to improve these local communities. This experimentation is at the core of DPM style strategy. Giving these regions the licence (within reason) to try new ideas for enfranchising growth can help these regions find new industries and avenues for prosperity.

Of course, enabling examples like the Preston Model (once called Jeremy Corbyn's favourite town) might be a concern for free marketeers. There is a real chance, that at least initially, many regional councils will vote for increasingly restrictive policies which will have the opposite of the intended effect and help compound the issues these towns face. It is also unlikely that many MPs will seek to voluntarily give up powers to their local governments, especially if there is a mismatch between regional and Westminster powerholders.

Therefore, we suggest a method that will solve both of these issues, it will keep the federal politicians happy by ensuring they have the principal power over legislation, but it will also give the freedom to the local governments to experiment with new ideas. We propose the introduction of free market driven Permissive Legislation. The premise behind this is simple, a tapas board of non-compulsory free market legislation will be offered to local councils and they are free to partake in whichever of these policies they wish. Westminster will ultimately designate what policies can be offered permissively but the regions themselves can decide their uptake.

This model solves almost every potential issue for DPM. It ensures that politicians still have the veto over what policies get promoted at the local level. It also prevents far-left councils implementing fringe socialist policy. Crucially it gives the same councils freedom to manoeuvre and experiment with the policies signed off by Westminster.

¹⁰ <https://news.sky.com/story/shetland-islands-vote-to-explore-independence-from-scotland-12068826>

¹¹ <https://democracycollaborative.org/preston-model>

Case Study – Permissive Minimum Wage

Burnley is a comparatively cheap place to live (at least as far as housing is concerned). The average housing deposit required for a first-time buyer in the UK is around 35,000 pounds.¹² Meanwhile, as of the 3rd of April 2021, 3-bedroom Terraced houses were available to buy outright at in Burnley from 40,000 pounds.¹³ By comparison, in the cheapest areas of London a 3-bedroom property will easily cost in excess of 400k. This cost discrepancy also extends to the general cost of living. For example, the average cost of a pint of lager in Burnley is £2.20.¹⁴ This is compared with over £5 on average in London.

Despite this, there is currently little incentive for an employer to set up shop in Burnley, due partially to the high federalised minimum wage. Minimum wages are generally bad policy and we have seen mismatched minimum wages drive unemployment in places like Puerto Rico.¹⁵ It seems clear that a place like Burnley should have a lower minimum wage than a place like London where the average house price is 5-10 times the cost.

There are many emerging industries that require relatively low-skilled labour. One example of such an industry is content moderation for social media platforms. Content moderator jobs are often outsourced to nations like the Philippines where, for example, a Manila based social media manager is paid around 100k PhP or 1500 USD per month. Ideally, if it were cost-effective you would want to hire these moderators from the local economy in which they are moderating. This is because, when checking social media posts for violations, the nuances of local culture will be valuable. For example, the socially acceptable Lancashire practice of mocking people from Yorkshire might appear like open bigotry to someone from Manilla but is actually an accepted part of English culture and falls well outside the hate speech definitions outlined in the 2003 Communications Act.

In fact, the UK is currently considering an Online Harms Bill which will increase the burden on American social media companies to moderate content according to British standards. When Germany passed the Network Enforcement Act, 1200 moderators were hired overnight in Germany.¹⁶ A permissive minimum wage coupled with the relative advantage that towns like Burnley may offer could make them a cost-effective option compared with an outsourced nation and will potentially bring jobs, industry and investment into the local area.

Case Study – Permissive EV Regulation

The Wuling Hongguang Mini EV is an electric vehicle developed in collaboration with GM and SAIC Motor (a Chinese state-run car company) and is currently in production in China. The Wuling EV has a range of 100 miles, a top speed of 60 miles per hour and costs a mere 4000 USD to buy new. Unfortunately, due to the environmental constraints imposed by European regulators, current estimates predict that this car will be twice as expensive to manufacture for the European markets.¹⁷ There is a palpable irony in environmental regulations standing in the way of an affordable electric vehicle.

¹² <https://trussle.com/mortgages/house-deposit>

¹³ <https://www.rightmove.co.uk/properties/89776978#/>

¹⁴ <http://www.pintprice.com/>

¹⁵ <https://www.nber.org/system/files/chapters/c6909/c6909.pdf>

¹⁶ <https://www.irishtimes.com/business/technology/tough-new-german-law-puts-tech-firms-and-free-speech-in-spotlight-1.3346155>

¹⁷ <https://www.techradar.com/uk/news/this-super-cheap-electric-car-is-outselling-tesla-but-you-cant-buy-it>

Regulations like these could be an opportunity for DPM via permissive legislation. If environmental manufacturing standards could be loosened within a subregion such as Burnley, cars like the Wuling could be built for a fraction of the cost. Burnley could become an epicentre for electric car production and uptake. Naturally, secondary and connected industries would also be incentivised to set up shop locally. Battery producers, makers of cooling technologies and manufacturers of electric motors components could end up setting up business in the region, bringing in jobs, investment and industry to the local area.

Towards Regional Liberalisation

Currently, the idea of a Lancashire man driving his Tesla to a job at Facebook may seem unlikely. But this is only because the current incentive structures are built for a country-wide approach which prioritises the major service economies to the detriment of our left-behind towns. The implementation of DPM via permissive legislation could help towns like Burnley discover new comparative advantages with which to kick-start their local economies.

Through DPM, we can help redress the policy imbalance which has helped destroy our former economic power houses. Towns like Burnley can find new levels of growth, prosperity, and dignity which have not been seen in the post-war period. We can offer all these consistent with free market/Libertarian non-compulsory perspective which leaves local communities free to choose their own policies. We can redress the economic NIMBYism of places like London, Bristol and Brighton who would seek to impose the restrictive anti-jobs policies at the national level which helped destroy our left-behind regions.

DPM implemented via permissive legislation will give our left-behind towns a lifeline to reinvigorate their economies and inspire new levels of success.