If you'd like to know why economic growth is slow.... [1]

Written by **Tim Worstall** [2] | Thursday 25 July 2013

Then I shall tell you why economic growth is slow. We've become infested with an overweeningly bureaucratic state. I have examples from my own work but perhaps one from the public domain is better [3]:

> There was some bad news for York Potash project developer Sirius Minerals last week, after approval of its mine was delayed yet again, causing the shares to plunge.

I'm perfectly happy with the idea that a mine needs planning permission. Indeed, I've no problems at all with the idea that you need a permit to go dig a girt big hole in a national park. However, there's parts of this process that look absolutely absurd:

> The second study essentially concluded that its authors did not see a market for the form of potash Sirius would produce. ?In the conclusion, AMEC states that it does not believe there is a significant market for polyhalite and therefore stated economic benefits are unlikely to occur,? Sirius said. ?This is followed with a view that, as polyhalite cannot be sold in sufficient volumes, the economic and employment benefits cannot be realised.?

What? One the one hand we've got Jeremy Grantham and vast numbers of enviros and organic nutters insisting that potash (and another fertiliser, phosphorous) is about to run out and therefore we're all gonna die and then we've these nutters employed by the government to say that no one will buy the stuff. A very quick Google indeed shows that there is a market for the stuff. Here [4]. But much more than that, in order to get permission you've got to show the bureaucrats that there is indeed a market for your goods. What?

That's a planned economic system, not a market one. In a market system sure, you might need permission to go dynamiting the North Moors but whether you make money doing so is what you're there risking your capital to find out. It's absolutely damn all to do with functionaries in offices whether you do or not: that's your risk. And the only way anyone will ever find out is by going and doing it.

And this is indeed one reason why economic growth is slowing: because we've erected this system whereby the bureaucrats get to second guess everyone in their atempts at new economic activity. Yes, this is beter than a system in which only the bureaucrats ever initiate new activity: but it's still vastly worse than one in which people get on with what they want to do without having to spend several years waiting for a signed chitty. Economic growth has slowed over the past few decades simply because we've put more paperwork obstacles in the way of economic grwoth.

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