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Out-innovate the state [1]

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Even in the face of high taxes, borrowing and debt, the history of modernity gives us every reason to be optimistic. Economic growth and the rise in living standards since around 1780 has been immense. In Britain, not even accounting for improvements in the quality and choice of consumer products, the average person is 1500% wealthier than their ancestor in 1780. Crucially, this progress has been the result of sustained innovation, increasing the productivity of existing processes and products, and displacing the markets for old goods with newer and better substitutes in a process of creative destruction. Perhaps more importantly however, innovation is also able to displace government provision and restriction of certain goods.

As I pointed out yesterday, innovation trumps all [3]. It was able to make Britain one of the most prosperous nations even despite its high taxes and protectionist mercantilism back in 1780. Even on a theoretical level, the unlimited powers of human ingenuity and imagination will always be able to find a way around existing physical circumstances. Right now, it continues to undermine existing policies, forcing progressive change, with the effects of the internet still being felt.

For example, massive online communities like Fitocracy [4] provide the incentives to exercise and keep fit. As they grow in popularity and effectiveness, they may undermine the case for government anti-obesity interventions. Similarly, sites like Amazon and eBay have their own internal arbitration and regulation mechanisms for when things go wrong, reducing the role for external governmental regulators. Even education, which has experienced little in the way of productivity increases for centuries, can now be disseminated via free online courses like memrise [5] to people across the world, without the need for expensive state grants to both universities and students.

Even in extreme circumstances, innovation is able to markedly increase living standards while undermining coercive monopolies. For example across Africa, the diffusion of mobile phones has allowed money to be transmitted directly to the intended recipients, circumventing corrupt officials and local elites who were otherwise able to confiscate physical cash as it changed hands or traveled.

Apart from the effects of the internet, emerging technologies like additive manufacturing (3D-printing) promise to totally undermine patenting and copyrighting of physical objects. As it becomes cheaper, the need for production lines will become increasingly irrelevant, allowing producers in the home and in business to create products that are the exact likenesses of otherwise costly brands. Perhaps design will experience the same constant creative destruction as in the fashion industry, where only trademarks are protected. Ingenuity has even been able to circumvent bans on research, for example with recent breakthroughs in extracting stem cells from blood reopening potential avenues for future life-saving medical innovations.

The exciting list of innovations is endless, and should give libertarians and others hope for the future. But we need to keep defending creative destruction from those who favour envy and redistribution, as well as acting upon our words. While there is a role for rhetoric, proving the effectiveness of market exchange and innovation by being the entrepreneur is also vital. Thankfully, some have been urging this revolution onwards. Douglas Carswell's new book, *The End of Politics and Birth of iDemocracy* [6], for example, reads as a manifesto for citizens freeing themselves of state-imposed hierarchy through sheer ingenuity. So long as our capacity for progress is celebrated, then we will be able to out-innovate the state.

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